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EVERY WEEKDAY

Dawn Primarolo gets Robinson job

Labour feud claims its third victim

By Jill Sherman and Roland Watson

SENIOR members of the Cabinet urged their colleagues last night "to draw a line" under the most damaging episode of Tony Blair's period of government as the mortgage affair claimed its third big casualty.

Charlie Whelan, press secretary and chief spin doctor to Gordon Brown, the Chancellor, was forced to resign after continuing accusations that he was the culprit who leaked details of the £373,000 loan to Peter Mandelson from Geoffrey Robinson.

Mr Brown's consolation prize was the promotion of Dawn Primarolo, the former Bennite, to Paymaster General to fill the gap left by Mr Robinson. There had been speculation that the job would go to Geoff Hoon, a Blair loyalist, a move that Mr Brown would have resisted. Ms Primarolo, former Financial Secretary, is fiercely loyal to Mr Brown and, after five years, is the longest-serving member of his Treasury team.

The Chancellor also found a job for another ally, Michael Willis, Mr Brown's wealthy independent television producer, has been appointed Trade and Industry Minister, but is taking no salary. However, the two appointments will do little to compensate the Chancellor for losing one of his most powerful supporters in government. Other "moves" were fairly neutral, with Stephen Timmins moving up within the Social Security Department.



Whelan: denied being the source of mortgage leak

Whelan denied being the source of the mortgage leak, but it was time to draw a line under recent events. "The key political issue is not obsession with so-called spin doctors or 'camps', but the Government's determination to keep the promises it made to the electorate," he said. "That is what the country and Labour party members expect of us and that is what we intend to do."

Downing Street also tried to mount a damage-limitation exercise, putting out a supportive statement about Mr Whelan, who has been widely accused in the past of briefing against Cabinet ministers.

But there was an almost audible sigh of relief from several members of the Government who have blamed Mr Whelan for creating unnecessary tensions between Mr Blair and Mr Brown over the past two years.

Mr Whelan, 44, returned from a walking holiday in the Scottish Highlands to announce that he would be leaving the Treasury "as soon as the appropriate opportunity becomes available".

He strongly denied that he had leaked the details that led to the downfall of both ministers, but said that the level of media speculation about the affair made it impossible for him to carry on as Mr Brown's press secretary.

"The Tories seized on the statement and demanded Mr Whelan's early departure. They argued that he could not remain and be privy to Budget secrets and urged Sir Richard Wilson, the Cabinet Secretary, to ensure that such access was stopped."

There were also questions about whether Mr Whelan would have to wait for three months or longer before being able to take up a job in the private sector, where there could be a conflict of interest. But with Mr Blair away on holiday in the Seychelles, other senior Cabinet ministers tried to move the focus away from the spin doctors and ministerial rivalries that have dominated the headlines for more than two weeks.

David Blunkett, the Education Secretary, who is said to have been one of several ministers calling for Mr Whelan's removal, said it was time to draw a line under recent events. "The key political issue is not obsession with so-called spin doctors or 'camps', but the Government's determination to keep the promises it made to the electorate," he said. "That is what the country and Labour party members expect of us and that is what we intend to do."

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Primarolo, who has been appointed Paymaster General to replace Geoffrey Robinson

Primarolo, who has been appointed Paymaster General to replace Geoffrey Robinson, is said to have been one of several ministers calling for Mr Whelan's removal. She is a former Bennite and has been in the Treasury since 1997.

Markets rally as the world shows faith in the euro

By Charles Bremner and Jill Sherman

EUROPE'S fledgling currency was celebrated by the financial markets in a day's trading that saw it rise against the dollar while continental stock markets enjoyed near-record surges.

European Union leaders greeted the smooth launch in the City, the Continent, Wall Street and Asia as a sign of confidence that the 11-nation euro is set to be a world currency alongside the dollar.

"This is an historic day," said Jacques Santer, President of the European Commission. "Let us for once congratulate ourselves without too much modesty. With the euro, Europe will be better equipped to control its destiny."

Gerhard Schröder, the German Chancellor, hailed the euro's advent, saying: "I know that it will make Europe move forward and it will force us into new stages of integration." Jean-Luc Dehaene, the Belgian Prime Minister, said the successful first day was "a moment in the history of Europe that was considered impossible just ten years ago."

The single currency, which has a domestic economic base comparable to the dollar's, ended European trading at around 1.16 dollars, well above the 1.16 level which was held last week by the ecu, the EU basket currency that was its predecessor. The EU hopes the euro will not strengthen too much, given the damage it would inflict on euroland's exports. The European Central Bank (ECB) was rumoured at one stage yesterday to have intervened to support the dollar.

Britain, the most powerful of the four EU states outside the euro, imposed its will on the currency in an indirect fashion. The Commission bowed to the usage adopted by the Bank of England and decreed that the plural for euro in English would end in "s". The notes and coins, to be issued in three years, carry only the word "euro".

phoria" which swept the Continent's stock markets. The FTSE 100-share index ended 0.05 per cent down while Milan rose 0.4 per cent. Frankfurt shares rose 5.7 per cent, Madrid by 6.2 per cent and Paris by 5.2 per cent.

The United States welcomed the euro, signalling nervousness over pressure on the domestic economy as the dollar's hegemony as the international currency comes under challenge. Robert Rubin, the Treasury Secretary, said: "The euro re-emphasises how important it is that we focus on our own policies and continue to make the United States a place where people want to invest their capital by having sound policies here."

Tony Blair welcomed the first day of trading with a commitment to helping the single European currency to succeed. In an article in *The Wall Street Journal* the Prime Minister said: "If the euro works and the economic benefits are clear and unambiguous, we would recommend entry, with the British people having a final say in a referendum." The views were seen as his most pro-euro statements.

Living with euro, page 10
Letters, page 17
Markets soar, page 23

Hospitals swamped by flu victims dialling 999

By Ian Murray, Medical Correspondent

PANICKING flu patients are precipitating a crisis in the overstretched health service by making 999 calls in demand, ambulances to take them to hospital.

Although flu levels are not abnormally high, health trusts are reporting emergency units at full stretch dealing with an influx of patients brought in by ambulance.

Dr Doug Fleming, who heads the Royal College of General Practitioners' infectious diseases monitoring unit in Birmingham, said: "Hospitals are the wrong place for flu patients. There is no curative treatment for flu and there is no point in going to see your doctor let alone going to hospital unless you have a serious chest disease or are elderly and living on your own. Going to hospital puts other sick people at risk so it is an irresponsible and selfish thing to do."

Perhaps because GPs are only sending the most serious

cases to hospital, patients are short-circuiting their doctors' waiting rooms and trying to get themselves admitted. This adds to the difficulties accident and emergency units are already facing in finding adequate staff and leads to many really ill people being left for hours on trolleys.

Frank Dobson, the Health Secretary, said that the number of flu cases was putting hospitals under pressure, especially in the North West and West Midlands.

Ambulances were having to queue for 15 minutes outside the Royal Liverpool Hospital to unload flu patients. At the Royal Hull Hospital there were 38 patients crammed into a ward for 28 on one day last month. London Ambulance Service had 115 flu calls on two days over the holidays.

Yesterday a woman with meningitis had to be airlifted nearly 200 miles from Birkenhead on Merseyside to Mid-

disbrough in the North East because there were no intensive care beds available. In Nottingham nurses are being offered 20 per cent extra to work on the admissions ward.

The pressures are coming because hospitals, already suffering from nursing shortages, are losing more staff through the illness and are finding it all but impossible to staff the extra beds. Although the Government has earmarked £159 million to deal with the winter crisis, hospitals cannot recruit the nurses they need.

Officially there is no flu epidemic until over 400 cases per 100,000 of the population are confirmed to have the disease in a given week. Flu levels this year are following a similar pattern to those in the winter of 1996/97, when they peaked at 230 cases per 100,000.

This year the level on December 15 was just 28 cases per 100,000 but by New Year's Eve it had almost quadrupled



"Call an ambulance quickly - I'm about to sneeze"

to 102 per 100,000. The next set of figures are expected to show a further rise, especially in the South.

Sydney and Beijing flu, the two strains of the disease prevalent this year, appear to be spreading down from Scotland, where doctors began to notice a sharp rise from mid-November. The latest regional figures - issued on Christmas Eve - show there were 113 cases per 100,000 in the North, 105 per 100,000 in the Midlands and only 41 per 100,000 in the South.

Hospital alert, page 8

'Bombsite bird' threatens to stop work on the Dome

By Glenn Owen, Times Diary

WORK on the Millennium Dome could be halted by three pairs of black redstarts, one of Britain's rarest nesting birds. They have arrived at the construction site in Greenwich and it is against the law to disturb the "bombsite birds" once they begin nesting - due to happen next month.

Wildlife campaigners are demanding that Peter Mandelson's successor as Minister for the Dome - Lord Falconer of Thoroton - casts an eye over the Wildlife and Countryside Act. "They will have to stop working," says Ralph Gaines, head of conservation at the London Wildlife Trust. "The Act is clear that it would be illegal to disturb them. They will start nesting at the end of February, and the young do not leave until the end of July. We did stop some work in the area at the end of last summer when a pair were spotted."

Redstarts - relatives of the robin that gained their nickname after flourishing on derelict sites after the Second World War - are a threatened species. As few as 70 breeding pairs remain in the country, up to a third of which live in the capital and are known to be resident in nearby Deptford Creek. Three pairs are house-hunting in the construction site area.

The bird famously distracted Norman Lamont during the 1991 Maastricht negotiations. Then Chancellor, he told an alarmed Hans-Dietrich Genscher, at the time Germany's Foreign Minister, that a redstart had just flown past. Herr Genscher

was apparently reassured that such a precarious moment for Europe. Mr Lamont took such a characteristically British delight in nature.

Mike Everett, from the RSPB, has comforting words for the Dome's organisers: "The Act protects the bird, but it does allow them to be disturbed as the incidental result of a lawful action that could not have been avoided," so it depends on compromise.

The New Millennium Experience Company, which birders claim has banned them from the site, said: "We are aware that these birds have nested in the area and will take their rarity into account when deciding how to deal with them if they do so on the site this year."

Their arrival comes at a bad time for the £78 million Dome. The roof is on, but the work schedule is tight. It is, however, a home indeed for redstarts - they love "untidy, scrappy sites".



Black redstart: in danger

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New rules 'threaten care home closures'

Alexandra Frean on plans to ensure bigger rooms and better facilities

HUNDREDS of residential care homes for the elderly could be forced to close if national standards on room size and bathroom facilities are introduced.

In a survey of 400 independent care homes, 64 per cent of respondents said that they would be forced to close if the proposed standards, drawn up by the Centre for Policy on Ageing, became law.

Under the proposals, all single rooms must have no less than 10 sq m of useable space, but if a residential home changes hands, all single rooms must be extended to include an extra 2 sq m. Shared rooms will have to have 16 sq m of useable space. All newly registered homes will have to have en suite washing and toilet facilities.

Geoff Hodgson, editor of *Caring Times* magazine, which conducted the survey, said that smaller privately owned homes would be affected most by the changes. Owners of such homes often

planned to sell them on retirement and live off the proceeds but the imposition of the new standards would in many cases make it impossible to sell the homes as on-going business concerns as their rooms would be considered too small to meet the minimum requirements.

"Thousands of elderly could find themselves without beds in the short term if homes are forced to close," Mr Hodgson said.

The survey follows the resignation last month of Sheila Scott, chief executive of the National Care Homes Association, from the advisory board of the Centre for Policy on Ageing in protest at the proposed standards, which she called "an unprecedented attack on the private sector".

The proposed standards are due to be discussed by John Hutton, the Health Minister, and the Centre for Policy on Ageing at a meeting later this month.

Viagra sales fail to take off in Ireland

IRISH men are either very virile or exceptionally shy, (Audrey Magee writes). Initial reports show that demand for Viagra, the anti-impotence drug, is far lower than expected in the country where it is made.

The drug became available to the Irish public at the end of September. But pharmacies across the country report few if any sales. O'Connell's, one of Ireland's largest chains of retail pharmacies, has issued fewer than 100 prescriptions in Dub-

lin in the past three months. "We are very surprised. We thought the demand would be far stronger. But it appears not," said a spokeswoman.

Pfizer, the company that makes the drug in Ringaskiddy, Co Cork, declined yesterday to disclose their Irish sales figures but insisted that they were in line with expectations.

The Government had originally predicted that 18,000 Irishmen would want the drug, costing the exchequer around £20 million a year.



Tara Palmer-Tomkinson showing off her latest skiwear on the slopes at Klosters.

William misses royal ski holiday

By ALAN HAMILTON

THE Prince of Wales began his annual skiing holiday at Klosters in the Swiss Alps yesterday, but with a depleted family party.

He was accompanied by his younger son, Prince Harry, but Prince William had elected to stay at home and is understood to be spending time with friends in Scotland. The 36-year-old Prince is a less enthusiastic skier than his father and younger brother, and dislikes the media attention the royal party inevitably attracts.

Zara Phillips, daughter of the Princess Royal, was to have been in the party but had to postpone her departure because of flu. She hopes to be well enough to join her uncle and cousin later.

The prince, who flew into Zurich on Sunday on a BAe 146 aircraft of the Royal Squadron, have been joined by their regular companion, Tiggy Legge-Bourke, the young prince's former nanny, and by Tara Palmer-Tomkinson, who appeared on the slopes yesterday to show off her designer ski wear to photographers. It included her trademark white "Tara" hat and a one-piece navy blue ski suit and jacket by designer Sam de Turan.

Miss Palmer-Tomkinson, whose parents are long-time skiing companions of the Prince and whose mother narrowly escaped death in the Klosters avalanche that killed one of the Prince's aides, also disclosed that she was wearing designer underwear by Agent Provocateur and several layers of cashmere cardigans.

Today the prince will, as in previous years, pose briefly on the slopes for an arranged photocall in the hope that cameramen will then leave them alone until they return to Britain on Sunday.

But media attention has already intruded on their holiday. A Swiss news magazine has put up a huge poster near the ski runs showing the Prince of Wales, apparently asleep, peering over the top of a screen. The German caption translates as: "Not even the Prince of Wales can hide any secrets from us."

NEWS IN BRIEF

Blair off to Kuwait and South Africa

The Prime Minister is to visit Kuwait to meet the RAF crews who played a crucial part in the bombing raids on Iraq two weeks ago. Next Saturday Tony Blair, on his way back from an official visit to South Africa, will stop off at the Ali Al Salem air base to meet the personnel who flew the 12 Tornado GR1 jets during Operation Desert Fox.

The Prime Minister is also expected to meet leading Kuwaiti diplomats to try to persuade them to allow the Tornado jets to operate as bombers again. Mr Blair will be collected tomorrow morning from the Seychelles, where he has been holidaying with his wife and family, before flying to Pretoria for the start of his first visit to South Africa since he became Prime Minister.

Prison fires injure 16

Sixteen prison officers were injured by fires started by inmates at Maghaberry prison in Northern Ireland. They suffered smoke inhalation after prisoners lit four fires on Sunday and two on New Year's Eve. Another officer was treated for minor burns after tea was thrown over him. The prisoners started the fires to protest at being locked in cells for longer than usual. A Prison Service spokesman said that the lock-ups were necessary because of staff shortages.

Stun gun man jailed

A man who tried to sell stun guns used by American police was jailed for six months. The hand-held guns, which are capable of producing 100,000 volts and have led to a number of deaths, are legally used for self-defence in America. However, a judge at Warwick Crown Court rejected a suggestion by Peter Hawkings, 32, who had imported 100 stun guns worth £1,200, that he was unaware they were illegal in Britain. He ordered them in Florida to sell to women for self-defence.

Spacecraft on course

A \$138 million spacecraft lost by mission controllers last month was back on course for its historic rendezvous with an asteroid. On Sunday the Near Earth Asteroid Rendezvous satellite's rocket engines were successfully fired, boosting its speed by more than 2,000mph to 43,000mph. The craft, more than 200 million miles from Earth, is now chasing the asteroid, named Eros, and should catch up with it in just over a year.

Stalker barred again

The first man to be convicted of stalking is back in prison for harassing the same woman while on parole. Anthony Burrows, 39, of Slough, Berkshire, was jailed for 10 weeks for pestering Tracey Morgan, 30, after serving 15 months of a three-year sentence. Magistrates at Bracknell also served a restraining order banning Burrows from entering Berkshire and prohibiting him from having any contact with Ms Morgan, her family or friends, indefinitely.

Lawyer in the drink

A solicitor specialising in alcohol-related cases is advertising his service on beer mats in pubs. Andy Lyall, from Dundee, has angered the Law Society of Scotland which claims that his promotional ploy is "not in accordance with the dignity of the profession". Mr Lyall, 52, said it was "eminently sensible" because many of his clients get into trouble because of drink. The beer mats bear his photograph, phone number and address with the words "Defence Lawyer".

£5 coin honours Princess

By MICHAEL HARVEY

SIXTEEN months after her death, the Princess of Wales has taken her place on a coin of the realm.

The new £5 commemorative coin, which is to be unveiled by the Royal Mint today, is the first of four official memorials to the Princess. It features an elegant portrait in profile by the distinguished sculptor David Cornell, and on the reverse is a portrait of the Queen.

Millions of pounds in profits will be used to fund the other official memorial projects, such as children's nursing rooms, community awards for schoolchildren and the scaled-down memorial gardens near Kensington Palace.

The cupro-nickel alloy version of the coin is available from today from large post offices in a presentation folder for £9.95. The presentation packaging features previous

tributes to the Princess from the Queen and Earl Spencer, as well as a poem that was read by her sister, Lady Jane Fellowes, at the Princess's funeral.

Gold and silver versions of the coins priced at £95 and £32.50 will be available from April. The £5 legal tender version will be issued on July 1, the anniversary of the Princess's birthday.

The Royal Mint will produce as many coins as are needed to meet public demand. The mint expects that most people will buy the coin as a keepsake, and only a few are expected to go into general circulation.

The coin's design was approved by the Royal Mint Advisory Committee, chaired by the Duke of Edinburgh. It was also passed by the government body in charge of official memorials to the Princess, the Diana Memorial Committee, which is chaired by Gordon Brown, the Chancellor.

Representatives of the royal household and the Princess's sister, Lady Sarah, McCulloch, also sit on the committee. Mr Brown said yesterday: "The Diana Memorial Committee received over 10,000 suggestions from people from all walks of life."



The £5 coin issued today

dale, also sit on the committee. Mr Brown said yesterday: "The Diana Memorial Committee received over 10,000 suggestions from people from all walks of life."

"I know that many people want a fitting and lasting reminder of Diana, Princess of Wales. I am sure that this official commemorative coin will be treasured by the people of Great Britain."

The amount of profit to be donated to memorial projects will be at least £75 per gold coin, £5 per silver coin and £3 per base-metal version.

Mr Cornell, 63, a former engraver at the Royal Mint, is a fellow of the Royal Society of

British Sculptors. His portrait of the Princess was chosen because it was the most elegant and simple of several designs submitted.

Today's release is not the first time that the Princess has featured in the "Crown" series of coins, which is now issued annually by the Royal Mint.

She had previously appeared with the Prince of Wales in 1981 in a coin to commemorate their wedding. That coin sold nearly 7 million copies, but at the then lower face value price of 25p, the equivalent of five shillings.

The obverse side of the latest £5 coin displays the portrait of the Queen which appears on all UK coins minted from January 1998. It was designed by the sculptor Ian Rank-Broadley.

When the idea of a commemorative coin was first mooted, friends of the Princess noted she would have laughed at the irony of seeing herself sharing a coin with her former mother-in-law.

Last night the reality was deemed a fitting tribute by her brother Earl Spencer. Netlink: www.royalmint.com

Straw joins Blair in holiday controversy

By VICTORIA FLETCHER AND MICHAEL HORSNELL

THE Home Secretary is allowing his daughter to miss school for a family holiday, it emerged last night as the Prime Minister came under further criticism for failing to deliver his children for the start of term.

Jack Straw's daughter did not arrive for the first day of term yesterday because she was still on holiday abroad with her parents, according to fellow sixth-formers at her school in Central London. The whereabouts of the Straw family could not be officially confirmed for security reasons.

At the weekend the Prime Minister was accused of undermining David Blunkett, the Education Secretary, who recently gave warning that pupils should not miss school for holidays in term-time. Mr

Blair's sons are expected to start term 24 hours late at the London Oratory today, while their sister will be similarly late arriving at her primary school in Highbury.

Mrs Blair wrote to the respective head teachers before the family set off for their holiday in the Seychelles to explain that the children would miss the start of term today.

David Hart, leader of the National Association of Head Teachers, said that Downing Street's response missed the point. "It is not up to parents merely to tell a school that they will be missing a day of school," he said. "They have to ask, if they don't get permission from the head teacher, but still keep their child away, that is unauthorised absence."

David Willetts, the Shadow

Education Secretary, called for an explanation. "What is the truth? If permission for the boys' absence from school this week was not sought by Mrs Blair, as the headmaster, Mr McIntosh, claims, this raises very serious questions about the express information issued by the Downing Street spin machine."

John McIntosh, head of the London Oratory, was not available for comment on when the Blairs told him about their holiday arrangements—or whether he had approved the children's absence.

A Downing Street spokesman warned: "The children have a right to privacy and there is a serious danger here of intrusion. The specifics of the communication should be a matter between the family and the schools."

20% rise in prison suicides

By RICHARD FORD
HOME CORRESPONDENT

THE number of prisoners who killed themselves in jails in England and Wales last year rose by more than a fifth to 83. The increase came as the total prison population rose by about 7 per cent to an average of 65,300.

Richard Tilt, the retiring Director-General of the Prison Service, said the suicide increase was partially caused by the growing numbers in jail. He added: "Not all suicides are preventable and there are no simple solutions, but it is clear that we have a long way to go in tackling a problem which is mirrored in outside society."

In 1997, the suicide total at the 135 jails was 68. The Howard League for Penal Reform said that nine of the dead were under 18.

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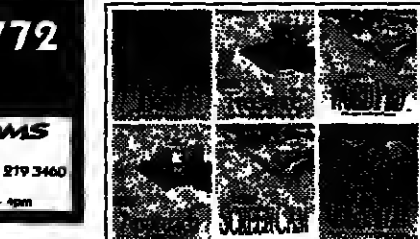


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Kidnap gang planned to bomb British targets

Officials were not told of arrests, reports Daniel McGrory. Photographs: Peter Nicholls

THE leader of the gang that kidnapped 16 Western tourists in Yemen had been planning to bomb British targets in Aden five days earlier.

Abu Hassan wanted to exchange the hostages for three bombers police arrested as they were about to launch simultaneous attacks at five locations, including the British Consulate. The three, who were using fake British passports, also planned to blow up the Anglican church, and the Aden Hotel, where the surviving hostages were taken.

Scotland Yard detectives who arrived in Aden last night hope to discover more about the bombing operation, and the gun battle in which four hostages died, when they are allowed to question Hassan, who is being held in chains in a top security prison.

Yemeni security chiefs say the gaunt, bearded 28-year-old was the leader of the three bombers, who were seized as they were priming devices in their room at the cheap, backstreet Al Wafa hotel. The three men, who included a 27-year-old Iranian, claimed to have arrived in Aden from London.

The list of targets found in room 111 included a clinic next door to Christ Church and the Royal Hotel, which is used by 35 American soldiers training Yemeni forces in mine clearance. In the cluttered bomb factory, police also discovered automatic weapons, grenades and black hoods with eye slits.

General Mohammed Saleh Turabi, head of security for the Aden area, said yesterday: "The men we arrested told us the targets Abu Hassan chose for bombing were very big. Many people would have been killed if he had succeeded. There would have been much more blood than in the kidnapping." He said the three did not know of the kidnapping plot. British diplomats in the region are furious that the Yemeni authorities did not tell them of the bomb plot, or the arrests. They would have warned four groups to stay away from areas in the south east where Islamic groups are known to have camps. They also want to know why military escorts were withdrawn from tour convoys driving through the Shabwa and Abyan provinces, where Abu Hassan comes from and where the hostages were ambushed.



The brothers arrested with Abu Hassan, Ahmed, left, and Saad Mohammed Ali Atif

Diplomatic sources in Whitehall say Yemen's Interior Minister, Hussein Mohammed Arab, refused to meet Vice Henderson, the British Ambassador, until after the bungled raid because he knew that Britain was against the use of force. Britain had wanted to offer the use of the SAS who have a permanent desert base across the border in Oman, a short helicopter flight from where the hostages were being held on a volcanic plateau. Last night, Hassan was being held at Zinjibar, 115 miles from where the hostages were kidnapped on December 28. There is room for little more than a thin mattress and a blanket in his 6ft square, windowless cell.

In a series of photographs, acquired for The Times with the help of Yemeni security chiefs, Hassan is seen holding the chains that bind his ankles. His captors say Hassan, who is unmarried, has shown no remorse and claim his only regret "was that he did not kill all his hostages". Hassan, whose real name is Zain al-Abidin Abu Bakar al-Mehdar, faces execution by a shot in the back of the neck after a trial that General Turabi said could be over in 48 hours. The Scotland Yard detectives, who are working with ten FBI investigators, are anxious to interview Hassan, and two brothers who were captured with him, before such swift retribution can be carried out. They hope to discover who

planned and funded his Al-Jihad group. "There is no doubt there is a foreign influence to all this. There could be a connection with Osama bin Laden, or someone else," General Turabi said, referring to the Saudi billionaire who is wanted for bombing American embassies in Kenya and Tanzania last year. Bin Laden has family links with Yemen, and in the past six months some of his fighters, forced out of Afghanistan and Sudan, have moved there.

"The bombers we caught could be students of bin Laden, but they are connected to Hassan. They were trained outside Yemen. Abu Hassan is a link to a bigger organisation," the general added. Two of the bombers arrived at Al Wafa hotel in Aden's Crater market district on December 9, saying cash for their room and saying they had had come from London. They showed British passports,

which hotel staff remember were the old fashioned type with hard blue covers: however, this was the first time they had been used.

Malek Mohsen Fadel, who is said by security sources to be a Yemeni, and Hamza Ali Said, a Pakistani, remained in Room 111 on the second floor for ten days until they were joined by an Iranian, Ahmed Sarmad, who was also travelling on a blue-covered, fake, British passport.

The three left the hotel the following day but checked back in on December 23 at 2.30pm, in the same room. Two hours later, police arrived and showed hotel staff a photograph of the Iranian, whom they called Mohsen Galen. Staff led the armed officers to the room, where they are said to have found the men assembling bombs using plastic explosive stuffed into steel pipes.

One of the hotel employees, who helped police to search the room, said they found grenades hidden behind curtains, a small saw, a metal file, electrical wire, detonators, timers and the black hoods. There were leaflets about Islamic fundamentalist groups, including Hamas, and eight video cassettes. Police did not inform any of the targets on the bombers' list about their find.

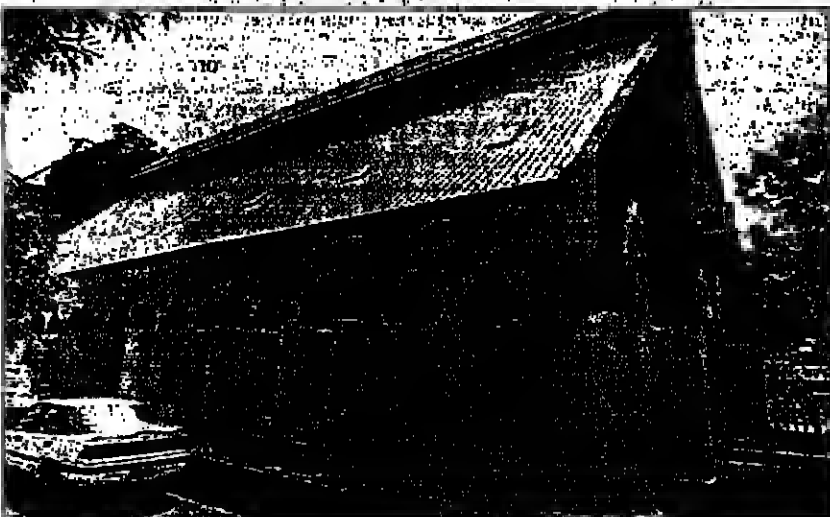
Roger Bruggink, an Anglican priest at Christ Church in the Tawahi port area, said: "We live with the awareness of the dangers and recognise there are different people with different ideas who will use violence to get their way." Last year, a bomb was found in the church compound, which includes the Ras Morbat clinic, built in 1996. Security was stepped up around the 19th century church and the already well fortified Consulate only after the kidnappings.

Yemeni officials believe that the intended spate of bombings on the five targets were revenge for Britain's part in the December air raids on Iraq. The 12 surviving hostages, now back in Britain, will be asked to identify Hassan from photographs that show him looking bedraggled in the same red and orange "futa" and grey and white T-shirt he wore during the kidnap.



Abu Hassan, being held in chains, led the bomb plot and kidnap gangs, officials say

The brothers held in the same prison as Hassan, two more of the kidnap gang, also face the death penalty. Ahmed Mohammed Ali Atif and his younger brother, Saad Mohammed Ali Atif, are believed to come from the same area as Hassan, Upper Aulaqi in Shabwa. Hassan's Al-Jihad group are known to have funded their operations in part by armed robberies. They include an attack on a security van carrying nine million riyals (\$30,000) in teachers' salaries. Yemen said yesterday it was abandoning its attempt to join the Commonwealth after the diplomatic row with Britain over the hostage killings.



Police said that targets on the bombers' list included the Anglican church in Aden, Christ Church, the British Consulate and the Aden Hotel. Officials failed to warn any of the targets after the would-be bombers were arrested

Workers offered jam tomorrow

By SUSIE STEINER

THE celebrated jam-maker to the Queen, Wilkin & Sons, is transferring control of the company to staff in a philanthropic move of which its founding father would have been proud.

The firm has supplied the Royal Household since the turn of the century from its renowned Tiptree fruit bushes. It is now preparing to give the workers — from fruit sorters to label stickers — the casting vote in major company decisions. The move is designed to protect the firm from predatory buyers after the last family member retires. The chairman, Peter Wilkin, 58, has no heirs when he leaves, 110 years of family involvement will come to an end.

"There are no family members coming along, so when I shuffle off the scene what I wanted to avoid was someone snapping up the company, stripping the assets and throwing everything else away," Mr Wilkin said yesterday. "We

have had a lot of approaches from people to buy the firm but we are not interested in selling. The company name is very valuable and we have a very good reputation, and I want the company to continue in the same vein."

"The company has had very strong employee involvement since it started. My great-grandfather was a staunch Non-Conformist and very much into worker participation."

Arthur Wilkin established the firm in the Essex village of Tiptree in 1885. An altruistic manager, he set up a provident fund to help local people who fell on hard times and was one of the first employers to provide pensions. Tiptree still has 70 company homes, where present or former staff live at reduced rents.

The firm won the Royal Warrant of Approval in 1911, and the jam has been spread on Buckingham Palace toast ever since.

Suicide girl was afraid of bullies

By RUSSELL JENKINS

MARIE BENTHAM, the eight-year-old girl found hanged on Saturday, was frightened by school bullies, her family has revealed.

Karen Bentham, the girl's aunt, said: "Marie said she had been bullied at school and she did not want to go back. Her mum told her not to be so silly and Marie stormed off to bed. When she went to check on her later, she found her with a skipping rope around her neck."

"She pulled it off and rang for an ambulance. The paramedics arrived and did their best, but Marie was pronounced dead at the hospital."

Both Marie and her younger sister, Gemma, were pupils at Moorfield Primary School, near their home in Irlam, Manchester. It is understood that Marie's mother, Debbie Bentham, did not raise the issue of school bullying when she spoke to police about her daughter's death. Greater

Manchester Police said that any allegations regarding bullying would be considered as part of their investigation.

John Walsh, Marie's head teacher, described her death as a "terrible tragedy" and said that prayers were said for her during morning assembly.

Mark Carriline, Salford City Council's director of education and leisure, said in a statement: "There have been two instances in the last term when Marie's family raised concerns with the school about bullying. These were concerns the school took very seriously indeed and dealt with promptly and appropriately."

"In each case the circumstances were fully investigated and the local authority policy was followed to the letter. Neither of those instances involved anything out of the ordinary. They reflected the type of concerns that many parents raise during the course of the school year."

Cocker pulps plans for Disco 2000

By ALEX O'CONNELL

JARVIS COCKER is clamping down on plans to use Disco 2000 as the soundtrack to the millennium.

The lead singer of Pulp has asked his record company, Island Records, to send notice to television producers who might have been planning to use the song.

Phil Savidge, of Savage & Best, the PR company that represents the band, said: "Pulp are obviously making the decision that it will be more lucrative this way. The band might want to stop it being sold to TV now so that they can become multi-millionaires in the future."

He added that the single was now hard to obtain, but he did not rule out the possibility of the band repackaging and re-releasing it this year.

A spokesman for Channel 4 said: "It is certainly too early to tell if the track is going to be used. Any millennium programmes would still be in production."

Kathryn Kelly, BBC spokesperson for millennium programming, said that it would not matter if Cocker prevented use of the song. "It doesn't really make any difference to us. There is a lot of other music that would be relevant."



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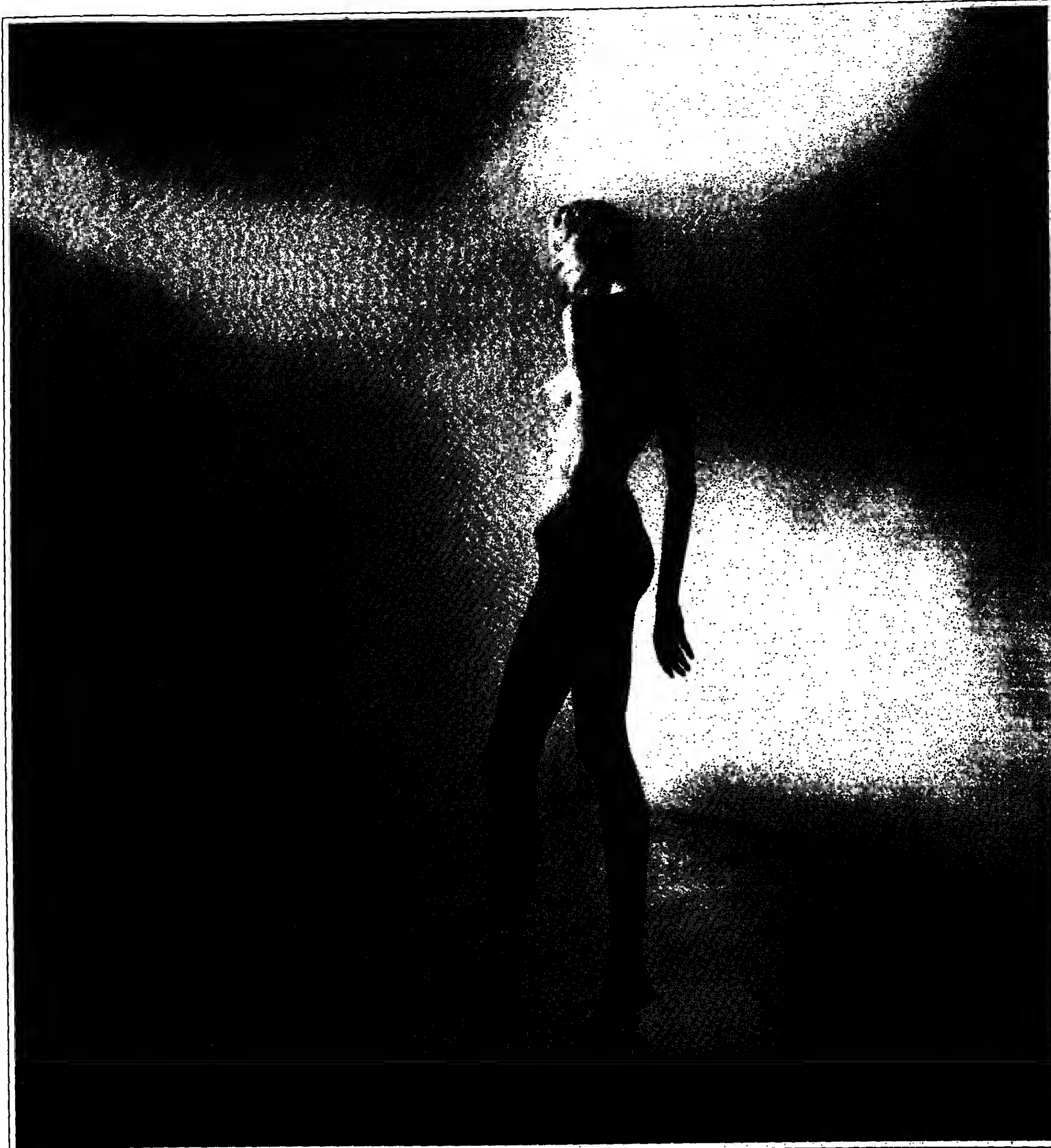


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مركز من العمل



December 21: "I have done nothing wrong. Anyone who throws mud at me will find it will not stick" Peter Mandelson, defending Geoffrey Robinson's loan



December 22: "Why should he tell lies?" Mrs Mary Mandelson



December 23: "It is no exaggeration to say that without your support and advice we would never have built New Labour" Tony Blair in reply to Mandelson's resignation letter



December 24: "He is an extremely gifted politician and I have no doubt that... his career will be far from over; we shall see him again" Paddy Ashdown on Mandelson



December 25: "Mandelson is not coming back, not in this century, and not in the next" senior Cabinet minister



December 26: "Ironically... he had become the Dr Caligula of the revolution. The device he invented here cut short his ministerial career" Lord Hattersley on Mandelson



December 27: "He has been a bloody fool, but he is not corrupt... he was too colourful, too subtle and clever for his own good" Robert Harris, author and friend of Mandelson



December 28: "If you're looking for a friend, yes, he certainly is. He's flown over the plane but it was not business only as a friend" Linda Woodhead, US lingerie millionaire

Brown gave Whelan time to plot exit

BY ROLAND WATSON AND JILL SHERMAN

THE great irony about Charlie Whelan's departure is that it saw him following the advice of his arch-enemy, Peter Mandelson: "My fear is that drift is harming you," wrote the former Trade Secretary. "You need to implement a strategy to exit with enhanced position, strength and respect."

The words were not offered to Mr Whelan, but to his boss Gordon Brown, nearly five years ago as Westminster waited to see whether he would run to succeed the late John Smith as Labour leader. They form part of the memo that Mr Brown's camp has ever since labelled "the great betrayal", claiming that Mr Mandelson's offer of support was in stark contrast to his campaigning for Tony Blair.

But Mr Mandelson's "strategy to exit" for Mr Brown could just as well apply to Mr Whelan's announcement yesterday that he would be stepping down "at the appropriate time". His resignation followed a fortnight of mounting pressure which has seen the 44-year-old former communist accused of being — and denying that he was — the catalyst for the pre-Christmas resignations of Mr Mandelson and Geoffrey Robinson, the former Paymaster General.

He finally made up his mind to quit on Sunday during the train journey south from his holiday hideaway in the Highlands.

Mr Whelan, blamed by his Labour critics for putting his loyalty to Mr Brown above that for the Blair Government as a whole, realised that he would do his patron more harm than good by staying. He had spoken to the Chancellor on the Saturday evening to tell him so, and that he had all but resolved to go.

After arriving at King's Cross station on Sunday evening and travelling across the capital to his home in Peckham, southeast London, he

Spin doctor was victim of rivalry between Labour factions that many believed he instigated

again called the Chancellor and told him that he was reconciled to resigning. He sat down at his kitchen table to draft his resignation statement and arranged to meet Alastair Campbell, the Prime Minister's spokesman, the next morning to arrange the logistics of the announcement.

The formalities of yesterday, however, had been the result of weeks, if not months, of behind-the-scenes discussions between Mr Whelan and his boss, not to say the subject of speculation among ministers and gossip on the Westminster grapevine. Even before the disclosure of Mr Mandelson's home loan deal with Mr Robinson saw both of them leave their jobs, Mr Whelan and Mr Brown had talked about the possibility of him leaving.

Although his constant companion for the past five years and the man credited with helping to make Mr Brown the most popular post-war Chancellor, Mr Whelan's reputation was in danger of becoming as crumpled as one of his suits.

Those — including Mr Blair, whose attempts to have him sacked after the election failed — who claimed Mr Whelan's dark skills were best served to Opposition rather than government were soon claiming evidence.

Since early last year No 10 officials have been trying to tell their neighbour that his Spurs-supporting, sidlekick, whose aggressive manner belied his past as the mild-mannered of the First XI at Otterhaw, a state school in Surrey, if not his role in HMS Pin-

fore and other school productions, was damaging the Chancellor.

Whether it was disclosing to a TV documentary that he did not always tell the whole truth, or being blamed as a chief source of the Gordon Brown biography that severely damaged relations between Nos 10 and 11, or briefing the press on his mobile phone from outside Whitehall's Red Lion pub about a shift in the Government's policy towards the single currency, Mr Whelan's often unguarded and always colourful manner has attracted critics. Each time his continued position was raised, but Mr Brown refused to fire someone who had become one of his closest friends.

But it was in November, when a newspaper briefing sourced to Mr Whelan threatened to re-open the wounds between Mr Brown and Mr Mandelson with a vengeance, that his future became an active topic of discussion in the Treasury.

Whitehall sources suggest Mr Whelan could have been on his way over the Christmas recess anyway by agreement, but then the Mandelson-Robinson affair surfaced to muddy the waters.

In the immediate aftermath, Mr Brown encouraged his spin-doctor to lie low. According to Whitehall sources, he also indicated to Mr Blair that Mr Whelan, branded "a little oik" by one unnamed Downing Street official, would be gone before the return of the Commons next week.

What remained was for Mr Whelan to be allowed to plot his exit strategy.

As far back as last Tuesday senior ministers were talking up Mr Whelan's qualities. Late that day the Treasury suddenly put out a statement saying Mr Brown stood by his man.

There followed later in the week an explicit message from No 10 that not only was there no evidence against Mr Whelan for the Mandelson leak, but that Downing Street officials did not believe he was the source. During weekend interviews Margaret Beckett, the Leader of the House, who has herself been on the wrong end of many a Charlie Whelan-inspired story, was effusive with her praise.



Charlie Whelan is surrounded by reporters as he arrives at the Treasury yesterday morning before announcing that he was about to quit

Although the signals may have appeared to point in one direction, they combined to allow Mr Whelan to depart with more of an enhanced position, strength and respect than if he had been sacked.

Few doubt that Mr Whelan's departure leaves Westminster a greyer place. None of his colleagues match the colour of his language, his stamina at the bar or the savagery of his put-downs.

But that is also why many ministers and MPs were privately welcoming the fact that the man dubbed yesterday by one as "an accident waiting to happen" was on his way.



The young Whelan, left, in a play at Otterhaw School

HOW THEY PLAYED MUSICAL CHAIRS

THE lives of a dozen ministers, MPs and advisers have been turned upside down by the events of recent weeks.

Peter Mandelson resigned as Trade and Industry Secretary over his £373,000 home loan from Geoffrey Robinson. Mr Robinson resigned as Paymaster General after the disclosure but was going to quit anyway after attacks on his past business dealings.

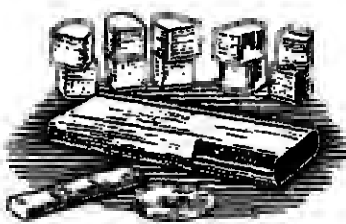
Charlie Whelan, Gordon Brown's press secretary, is to leave his job.

Stephen Byers, former Chief Secretary to the Treasury, became Trade Secretary. Alan Milburn, former Health Minister, joined the Cabinet as Chief Secretary. John Denham, former Social Security Minister, promoted to Health Minister.

Stephen Timmins moved up in Social Security Department. Hugh Bayley, former PPS to Health Secretary, became Social Security Minister. Diana Fisman, Financial Secretary to Treasury, becomes Paymaster General. Barbara Roche, former Trade and Industry Minister, becomes Financial Secretary. Michael Wills, MP for Swindon North, becomes junior Trade Minister (unpaid). Ben Wegg-Prosser, Mr Mandelson's former special adviser, is out of a job.

Despite a move all but being announced by Downing Street, Geoff Hoon stays put in the Lord Chancellor's Department. Although Mr Hoon was lined up to replace Mr Robinson, Lord Irvine of Lairg objected to losing him.

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It's now time for Brown to move on

GORDON BROWN no longer needs Charlie Whelan. Like the already departed Geoffrey Robinson, Mr Whelan belongs to Mr Brown's Prince Hal days. The roistering band of lads ate pizzas, watched football and plotted a new economic strategy, albeit in the elegance of the Grosvenor House rather than the more lowly Boar's Head Tavern in Eastcheap.

That was fine for Opposition, but, in office, Mr Brown has outgrown this phase. So their resignations are a liberation, a chance for Mr Brown to develop as Chancellor, to demonstrate that he has "turned away my former self" and "those that kept me company".

The danger is that Mr Brown will, instead, see the departures of Mr Whelan and Mr Robinson as a personal defeat and a victory for his enemies. So he may turn even more upon himself.

Mr Brown's main flaw is his factionalism, his preference for working with tight groups of advisers and long-term allies, and his suspicion of the motives

RIDDELL ON POLITICS

and actions of other Labour leaders. That fed the destructive rivalry with Peter Mandelson that has so sapped and divided the Blair Government. As so often, the real damage was often done by acolytes spreading rumours.

Mr Whelan was the ultimately loyal courier, and, at times, court jester who defended and promoted his master in all the low insinuations of the press. Often, it was his combative, rumormongering style that stirred conspiracy stories more than any news he leaked; not least because, in contrast with Ed Balls, the Chancellor's economics adviser, he was generally on the outside of policymaking. But as Mr Whelan recognised in his statement yesterday, once he became the story, he lost much of his usefulness to Mr Brown.

The repeated flurry of "Brown versus ..." stories have damaged the Chancellor, just as he indirectly suf-

fered from the continuing run of allegations against, and inquiries about, Mr Robinson. Mr Brown's defensiveness and cliquishness — as so far expressed through people such as Mr Whelan and Brownite MPs — have reduced, rather than enhanced, Mr Brown's standing. Other Cabinet ministers are wary of him.

Mr Brown is a far more considerable figure than all this speculation suggests. Few would guess that he spent much of the second half of last year pushing international financial reform. In private, he is relaxed, witty and intellectually wide-ranging, by far one of the most thoughtful members of the Government. He should allow this more open side of his personality a fuller play. He does not need to fear conspiracies or plots. He needs, above all, to relax, and not to look over his shoulder all the time. Unlike most recent

Chancellors, Mr Brown has the strong backing of his Prime Minister, even though Tony Blair is at times exasperated by his old friend. Over the past few days, Mr Blair has been insisting that nothing must be said or done to undermine Mr Brown.

One sign of Mr Brown's continuing influence is that one of his close allies, the talented former television producer Michael Wills, has been brought into Government as a junior minister.

Mr Whelan's departure offers him a chance to clear the air after Peter Mandelson's resignation two weeks ago — and to find a more low key and conventional personal press officer. Mr Brown should recognise this, rather than regard the Whelan/Robinson exit as a cause for further recriminations. Mr Whelan has served him well, at times too well. But it is time to move on from Prince Hal. Mr Brown is now a bigger man and should behave accordingly.

PETER RIDDELL

'Quite a catch' for the private sector

Carol Midgley looks at the career opportunities open to a man with inside knowledge of the Treasury

THE resignation of Gordon Brown's rumbustious press secretary sparked a new Whitehall debate yesterday: what will Charlie do next?

Rumours about Mr Whelan's career prospects were rife almost as soon as he announced he was stepping down. Close friends were said to be urging him to cash in by writing a book about his time at the Treasury. The World at One on BBC Radio 4 suggested he was considering a career as a television chat show host or a political pundit.

Mr Whelan, who studied politics at the City of London Polytechnic, is understood to have ruled out working for any other Whitehall department and intends to try his luck in the private sector.

Experts predicted a deluge of job offers from public relations, lobbying and City firms

that would more than treble his £50,000 salary. His knowledge of the Chancellor and the Treasury would make him a valuable commodity, particularly for City consultants.

Lord Bell quashed early rumours that Mr Whelan was being lined up to work for his company, Bell Pottinger. "I have never met Charlie Whelan or even spoken to him," he said. "But he will find with real PR you have to work rather harder to get stories in the press than you do based in Whitehall. In politics, you don't have to sell stories, you have regular lobby briefings."

"It's very difficult to adapt to the private sector. People don't ring you up — you have to ring

them. I don't know... Charlie Whelan may be fantastically brilliant but what the press often describes as great spin-doctoring is no more than selling stories which would have sold anyway if they had just appeared on a screen."

One lobbyist, who asked not to be named, said: "Charlie has been very high profile and a lot of chief executives don't like hiring people whose name is more famous than the company's. But he has the gift of the gab and he will be in a top job pretty soon. He does swank a lot but he is incredibly loyal."

A financial commentator said Mr Whelan may set up his own consultancy as he

may be too "larger than life" to fit into a big organisation.

Britain's most famous press manager, Max Clifford, predicted a financially rosy future for Mr Whelan. "Anybody who has been at the centre of government, in terms of policy, ideas and activities, is highly attractive, particularly to the City," he said. "By going into the private sector he could pick up £500,000 a year easily. You are aware of so much that other people would love to know about. Just think of a multinational company that is desperate to know how Gordon Brown is thinking."

One political consultant close to Mr Whelan, however, predicted he would follow in

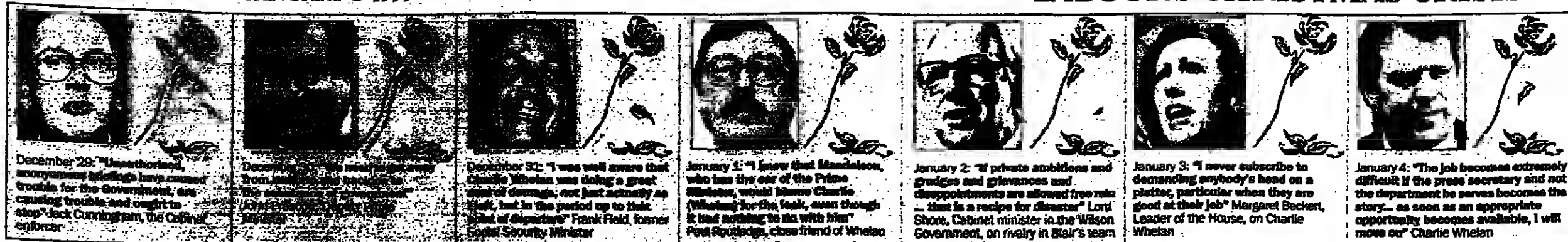
the footsteps of Baroness Thatcher's former press secretary, Sir Bernard Ingham, and become a television pundit. "Charlie could well end up being someone like Ingham, giving his opinions on the issues of the day and occasionally doing a bit of consultancy work. He would be great," he said. "He's a good communicator and knows the Government inside out. If he learnt about the commercial world, he could advise companies about their position with the Government and the Treasury. Knowing Charlie, he'll want to remain political. If he went into the City working for merchant bankers or financial institutions, with his knowledge of government and the economy he could make a lot more. He'd be quite a catch."

Leading article page 7

Crony C
Blair's
takes on

Red Dawn
rewarded for
her loyalty

هكذا من الإله



Crony claim as Blair's friend takes on Dome

By RICHARD FORD, HOME CORRESPONDENT

TONY BLAIR faced fresh charges of cronyism from the Conservatives last night after handing one of his oldest friends the responsibility for the Millennium Dome.

Lord Falconer of Thoroton, who shared a house with the Prime Minister in their days as young barristers, is taking over as government shareholder in the Dome, overseeing the £738 million Greenwich exhibition following the resignation of Peter Mandelson.

Lord Falconer was ennobled after the 1997 election, became Solicitor-General, then moved to be Minister of State at the Cabinet Office, which gives him a seat on 14 cabinet committees. Last night he said: "The Dome at Greenwich will be the centrepiece of the UK's hugely diverse celebrations in the year 2000. Much has been achieved so far to deliver it on time and on budget. The year ahead holds further challenges to which I am sure the New Millennium Experience Company is more than equal."

Chris Smith, the Culture Secretary, will answer questions on the Dome in the Commons, but Lord Falconer will have ultimate responsibility. Peter Ainsworth, the Shadow Culture Secretary, criticised the appointment as "yet another example of the cronyism that pervades this government".

Mr Ainsworth, who had called for a non-political figure with business experience to take over from Mr Mandelson, asked: "In what way is Lord Falconer qualified to take on the task, other than the fact that he is a close friend of Tony Blair?"

The announcement will do nothing to dispel public scepticism, whilst risking the success of the project.

Lord Falconer, 48, is married with four children and lives in Islington, North London, where his next-door

neighbour is Gary Hart, special adviser to Lord Irvine of Lairg, the Lord Chancellor.

He is a pop music fan and, like many in his forties, his first love remains the hits of the 1960s and 1970s with particular favourites being the Rolling Stones and the Beatles. His party trick is to name the B-sides of almost any hit in the early 1960s.

His wife Marianna, a family law barrister, said last night: "His great love, undoubtedly, is pop music. He is stuck on the old hits like so many who grew up in the 60s and 70s."

"But we have young children and there is nothing he cannot tell people about the Spice Girls and other new groups."

She said that her husband liked music by groups such as the Rolling Stones, Beatles and Beach Boys. Lord Falconer is also a regular theatre goer and visits the opera "regularly, but infrequently", according to his wife.

His last two visits to the theatre were over Christmas to see *Peter Pan* at the Eden Court theatre in Inverness and *Dick Whittington* at the Theatre Royal in Nottingham.

Lord Falconer, Charlie to his friends, is one of the Prime Minister's closest confidants having first met Mr Blair when they were schoolboys in Edinburgh more than 30 years ago.

They have remained the closest of friends, working as barristers in different chambers in the same building in London and sharing a house in Wandsworth, southwest London. Lord Falconer and his wife dine regularly with the Blairs.

He was earning a reported £500,000 a year as a barrister but gave up his lucrative commercial practice for a pittance and a much lower government salary after the 1997 general election. He became Solic-

itor-General and then in last summer's reshuffle inherited Mr Mandelson's job as Minister without Portfolio at the Cabinet Office.

One official said: "He is a lovely man to work for. He works hard but it is great fun. There is no side to the man. His shirt is often hanging out of his trousers."



Family man: Lord Falconer with his wife, children, father and stepmother on the day he was sworn in as Solicitor-General

'Red Dawn' rewarded for her loyalty

Roland Watson on a radical's rise to the post of Paymaster General

FEW have made the transition from left-wing rebel to loyal Minister of the Crown as smoothly as Dawn Primarolo, the new Paymaster General.

Less than eight years ago the Bennite "Red Dawn" was standing in Bristol Magistrates' Court defending her right not to pay the poll tax, and receiving a liability order for her trouble.

Today, as she spends her first full day as the most important Treasury minister outside the Cabinet, repetition of the story still irks her but has done nothing to halt her steady rise through the ranks. Few were tipping her to fill the post made vacant by the resignation of Geoffrey Robinson before Christmas, but Gordon Brown, the Chancellor, values loyalty above all other political attributes and Ms Primarolo has been loyal to a fault.

She may have betrayed her frustrations in private, and when her parliamentary private secretary, Mick Clapham, resigned as part of the revolt against cuts to single mothers' benefits, many saw her own unease in his action.

But the woman who built part of her early reputation for outspokenness around her support of single mothers' rights went out in public to defend the cuts.

Ms Primarolo is only the third woman to hold the post of Paymaster General. She follows in the footsteps of Judith Hart, later Baroness Hart of South Lannock, who held the job from 1988 to 1999, and of Shirley Williams, later Baroness Williams of Crosby, who held it from 1976 to 1979.

Those who knew Ms Primarolo in Bristol in the mid 1980s say that her transformation has been remarkable.

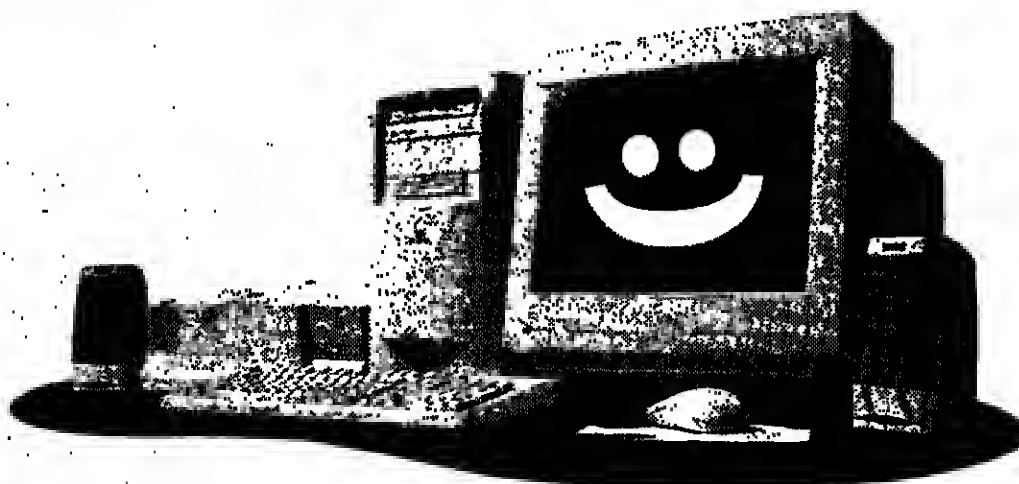
She served as Tony Benn's constituency secretary while also a member of the now-defunct Avon County Council. After Mr Benn was shunted out of a parliamentary seat by his fellow Labour MP, Michael Cocks, later Baron Cocks of Harcliffe, through a boundary reorganisation, Ms Primarolo exacted the left's revenge five years later, although it took her four ballots to oust Mr Cocks and become the MP for Bristol South.

Born in Bow, East London, she had moved to Bristol with her first husband and their son. She initially turned her back on higher education, preferring to take a secretarial course and start work, but later took a degree in politics and economics at Bristol University. She separated from Michael Primarolo, a teacher, in 1983, and has since married Ian Ducat, a Bristol-based union official.

Chippy and engaging in private, she has learnt the value of relative silence in public and chooses her words carefully in the few media interviews she gives.

And since joining the Labour front bench as a health spokeswoman in 1992, later to be transferred into Mr Brown's shadow Treasury team in 1994, there have been precious few signs of her rebellious past.

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Butlin's welcome awaited Cold War evacuees

A SECRET plan to send thousands of Americans to Butlin's holiday camps before evacuating them from Europe in the event of war with the Soviet Union has been revealed in documents released under the 50-year rule.

More than 30,000 American citizens were to be shipped to the US under Operation Whizzbang, an evacuation blueprint drawn up by British and American officials as tension with the USSR grew before the Berlin airlift in 1948.

About 10,000 Americans living in Britain were to leave on merchant ships and US Navy vessels within days of a conflict breaking out. A further 23,000 from continental Europe, though not occupied Germany, were planned to follow. Holding camps for the European evacuees were to be set up in holiday resorts around Britain, with Butlin's camps at Pwllheli in North Wales and Ayr in Scotland earmarked to house 9,000 people.

Operation Whizzbang was first conceived by naval attachés at the US embassy in London to evacuate only those Americans living in Britain. It was later extended to cover northwest Europe after investigations found that a direct evacuation from France or the Netherlands would be impractical.

The proposal to use Butlin's camps came from R. K. Jago, a civil servant at the Ministry of Works, who suggested the idea to the top-secret Anglo-American group that developed the plans. Camps, he argued, would be more practical than hotels, which would prove hard to staff.

"If the emergency arose during the summer months when the camps were open, there

Mark Henderson
on the holiday camp send-off arranged for 33,000 departing Americans

would be no difficulty in arranging to earmark two of them, complete with staff," a minute of the second group meeting said.

"If the emergency arose during the winter when the camps were closed, it could either be arranged with Mr Butlin or the camps requisitioned and arrangements made for the National Service Hostels Association to do the running of the camps.

"[Mr Jago] felt the holiday camps would be ideal in that they were already equipped and arranged for catering for large numbers of people at one time, and would have the advantage that whole trainloads could be made up from one centre to go to any port."

The Ayr and Pwllheli sites were chosen for their proximity to the ports of Greenock and Liverpool. To cater for evacuation via Southampton and Plymouth, a list of smaller camps along the south coast that would hold another 13,000 was drawn up.

The plan was approved in the autumn, and the Prime Minister, Clement Attlee, was informed in December 1948. Details were kept "top secret", and British officials even vetoed the idea of involving the Republic of Ireland for fear of a leak. The Foreign Office was

not told about Whizzbang until almost everything was in place, and FO officials complained to the Cabinet Office and the US Embassy about being kept in the dark.

Britain also warned Commodore Shelley, the US naval attaché, that any leak "could hardly fail to have a bad effect here and on Anglo-American relations".

London, home to 40 per cent of the Americans in Britain, was to be the "nerve centre" of the operation. Non-American dependents would have been eligible for evacuation, but able-bodied men would only have been allowed to leave once there was no more they could do to help to move out women, children and invalids.

America later tried to get Britain to agree to include 31,000 citizens from occupied Germany, but Britain felt this was impractical and asked for a French port to be considered.



Riverside romance: Abigail Wilkinson and David Welders on their wedding day

Tourist marries her 'Crocodile Dundee' rescuer

By A CORRESPONDENT

A BACKPACKER from Birmingham has married her own "Crocodile Dundee" after he rescued her from a crocodile-infested river in the Australian outback.

Abigail Wilkinson's dramatic meeting with her husband-to-be, David Welders, happened while she was on a canoeing trip at Fitzroy Crossing in Western Australia. The 24-year-old lawyer capsize and Mr Welders, a cattle station worker from Fremantle, saw her struggling towards the shore and pulled her to safety.

They were married four months later in the village of Humpty Doon before heading for Darwin, capital of the Northern Territory. They are now continuing their travels and hope to visit the Solomon Islands in the next couple of months.

Speaking yesterday from the family home in Solihull, West Midlands, Ms Wilkinson's father, Peter, said that

his daughter had telephoned him an hour before the wedding to get his blessing.

"I admit that it came as a bit of a shock," he said. "But she is a very sensible girl who has her head screwed on. She became disenchanted with her life in Birmingham and decided to do some travelling though she had no intention of getting married."

"She met David after tumbling into the water while she was canoeing. The last thing she saw before going under was a sign saying 'Beware of the Crocodiles'."

"Luckily her 'knight in shining armour', who was with a separate group, had seen what had happened and rescued her. It was love at first sight."

He added that his daughter had also fallen in love with Australia and he did not believe that she and her new husband would live in England.

Colonial attack on 'lazy' Jamaicans

By MARK HENDERSON

THE colonial governor of Jamaica during the Second World War condemned the Caribbean island's inhabitants as lazy, intolerable and unreasonable, according to a newly released document from 1940.

The scathing attack by Sir Arthur Richards, who singled out local politicians for particular abuse, was made in a letter to Lord Lloyd, the Secretary of State for the Colonies.

The island was "a headache", Sir Arthur wrote, because "the Jamaican is so intractable and intolerable, with very few exceptions white or black. The Jamaican envies

and hates success whether in his fellows or imported officers whom he hates anyway".

Proposals for democratic reform put forward by the nationalist leader Norman Manly were a non-starter, he said, because of "the lack of any decent material other than Manly himself".

Jamaican politicians fell into three categories: "disgruntled failures whose laziness or incompetence have denied the position they have come to occupy"; "rabid communists, largely inspired by the hatred of the white man"; or "pure theorists with no practical knowledge at all".

Teeth alert for cancer children

By OUR MEDICAL CORRESPONDENT

MANY children with cancer run an extra, life-threatening risk by not having regular dental checks, researchers say.

Chemotherapy causes a range of mouth problems and cancer makes children more prone to dangerous infections.

Research was carried out on 60 children with cancer aged between one and 14 being treated at the Royal Manchester Children's Hospital.

The survey, published in *Archives of Disease in Childhood*, found abnormally high levels of tooth decay, with 21 needing urgent treatment and five others with some problems. All the children were reviewed and their teeth inspected at outpatient clinics.

The families and medical teams were reluctant to go outside the hospital service on which they had become reliant. Hospital dental services are largely limited to emergencies and extractions.

□ Dentists who treat at least three quarters of their patients on the NHS say they have greater job insecurity and less job satisfaction than colleagues who take on more private work, according to a British Dental Association poll.

Hospital shops pose drug risk

By IAN MURRAY MEDICAL CORRESPONDENT

HOSPITAL shops are failing to restrict sales of over-the-counter medicines despite the threat of overdose by patients.

A survey in the *Psychiatric Bulletin*, published today, found that an emphasis on commercial rather than clinical considerations was behind the lack of adequate sales restrictions.

The survey of 73 hospitals found that 20 had shops that stocked over-the-counter medicines that would be dangerous in overdose or could interfere with existing treatments. The drugs contained in the remedies included paracetamol, aspirin and ibuprofen.

Fifteen of the 20 hospitals had psychiatric wards. At three of these, patients had taken overdoses of medicines bought from the shops but the hospitals went on selling the drugs afterwards, although with restrictions.

The report, by David Somerfield of Cossham Hospital, Bristol, said that shop managers were more used to commercial considerations, so it was not surprising that the dangers of selling medicines to inpatients were not always identified.

Fourteen of the 20 shops had sales policies in place, but only one shop had devised a robust system to restrict sales, Dr Somerfield said. Most of the policies could be overcome by the determined patient.

Dr Somerfield said the best policy would be to restrict all sales to staff carrying identification or, more simply, to prohibit medication sales entirely.

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US hides fear at threat to strong dollar

THE Clinton Administration has greeted the launch of the euro with a cautious enthusiasm that belies the problems the project may present for the United States and for its relations with Europe.

"If it works, then it will be a good thing" has been the official line — a scrupulous agnosticism with a warm gloss, repeated this week as the euro started trading. "If it works in part or in whole, Europe will be stronger economically, and a stronger Europe is fundamentally good for the US," said Robert Shapiro, Under Secretary of Commerce for Economic Affairs.

American support has been fuelled by a desire for Europe to manage the region's policies more harmoniously, and by a widespread perception that European leaders run to the United States for military help when trouble breaks out. "We've sorted out four wars for them — World War I, World War II, the Cold War and Bosnia," one Administration official has said.

American businesses have also been boisterous cheerleaders for monetary union. They expect that it will make it easier for them to market their products across borders. They will have to hedge against the

Europe's world role in balance, writes Bronwen Maddox in Washington

Maddox in Washington

risk of currency movements in one currency, not eleven.

America's manufacturers also see Europe as a fortress of companies that may be dominant in their well-protected local markets, but are less competitive than their US rivals. The end of currency fluctuations will expose companies trying to sell at high prices, and favour those whose products are cheaper. US companies argue.

They have the advantage of honing competitive skills and efficiency across 50 states, in a market of more than 250 million people. But, as dozens of US banks and retailers will testify, they have repeatedly misjudged how to break into the European market.

But behind the optimism, benevolence and goodwill, is a wide vein of unease. Officials are concerned that, if the euro is successful, it will lure capi-

tal away from the dollar — the world's dominant currency for half a century — which now accounts for nearly 60 per cent of global capital reserves.

That is about four times as much as the European currencies together, even though the economic output of euroland is close to that of the US.

If the euro began to change that balance, the shift could push up the cost of borrowing dollars for the US Government and companies.

The Wall Street Journal declared that, with the euro's launch, "Europe has thrown down the first postwar challenge to the US dollar's dominance of international trade and finance. The advent... of EMU doesn't just change the world's financial landscape," it argued, "it also could alter the global balance of power."

If the project begins to unravel, it could distract Europe's attention from world problems, making it more introverted and even less cohesive as a political bloc, officials fear. America could then be left alone to fight the new "financial war" of the Asian economic crisis.

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Business, page 23
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LIVING WITH THE EURO



Gerrit Zalm gets a sticky greeting as he enters the Amsterdam stock exchange to watch the start of euro trading yesterday. He was not amused.

Custard pie start on trading floor

FROM CHARLES BREMMER IN BRUSSELS

WHILE traders began working with the European Union's new world currency yesterday, a band of Dutch pranksters won global coverage for themselves by shoving cream tarts in the face of their Finance Minister.

Gerrit Zalm, a leading figure in the EU finance council, lost his usual sense of humour when he was attacked as he walked into the Amsterdam stock exchange to watch the

euro's first business day. "This is incomprehensible... an anti-democratic action," said Mr Zalm as he wiped whipped cream off his face.

The attack was claimed by a local group calling itself TAART (a Dutch acronym for Against Authoritarian Anti-Revolutionary Characters). Its leader said that the "festive action" was intended to underline the "megalomaniac and anti-democratic" nature of the single currency. TAART attacks on celebrities are a staple practice of anarchist pranksters in Belgium and The

Netherlands. The last prominent victim was Bill Gates, the Microsoft chairman hit by a pie in Brussels last year.

The only other hiccup to the smooth launch of the euro yesterday came when the European Commission yielded to the Bank of England and decreed that the plural form of the euro in English would end with an "s". The Commission had ruled that, for simplicity's sake, the euro would have no plural form in the EU's 11 official languages. However, the Bank of England, the City and the Irish Republic

have all been writing "euros". Commission officials were musing on the irony of being forced to change by the one big country outside monetary union.

Officially suspended: Relations between the Commission and the European Parliament were soured further yesterday after the Brussels executive confirmed that it had suspended Paul van Buiten, a Dutch finance inspector in the Commission's financial control unit, who reported to the Parliament about alleged fraud and cover-ups by Commission officials.

Money that is easier to receive than to give

BY ALAN HAMILTON

TO HARRODS for half a Vieux Boulogne cheese, armed with €100 in travellers' cheques. They get offered every currency under the sun in Knightsbridge, surely they would not turn a hair at dealing with this latest arrival.

Euros were easier to acquire than to dispose of in London yesterday. An American Express bureau de change in the City offered them at £73.38

including commission, and a free warning that they might be tricky to get rid of.

Not much good for cheese, certainly. Harrods' cheese lady took it remarkably well when offered a €50 travellers' cheque (£36 in payment for the €4.50 cheese. "We can do it, sir, but it's a bit complicated. You'll have to go to the accounts office on the fifth floor, and it will take you the best part of half an hour." Vieux Boulogne is best not

over-matured, so we bottled out with cash. Across the street to the Hyde Park Hotel, bedecked with French and German flags, to test the euro as payment for a £360-a-night double room. They had not seen one before, but were the soul of smooth. "Of course we would accept it, sir, but we would have to have it converted into sterling first we could, of course, do that for you."

An £8 taxi fare across town was bound to be trouble. Try offering a genuine Bank of England £50 note to a cabbie, and he will doubt your sanity and parentage. "Wouldn't touch it mate, wouldn't know what to do with it. Ain't ya got plastic?"

At last Marks & Spencer, Eurostore par excellence, at Finsbury Pavement in the City in the middle of their January sale. A £20 cotton shirt beckoned. The manageress consulted a volume of paper, it being the first example of the beast

she had seen. "No problem sir, that will be €28. Yes, of course we accept euro travellers' cheques, our tills are all geared up for them, and you shall have your £30 change in sterling."

The sales assistant, Molly Ferguson, smiled charmingly. "That's fine, sir, no problem at all. Now, as it's a travellers' cheque, may I just see your passport?"

Al. Um. Do you take Switch?



Alan Hamilton buys a shirt with euros at M&S

Gaullist rebel defies federal steamroller

FROM BEN MACINTYRE IN PARIS

CHARLES PASQUA, 71, the former French Interior Minister, will lead his own Eurosceptic list in the forthcoming European elections to campaign against the development of a federal Europe.

Mr Pasqua's decision to try to defend French sovereignty was a major act of rebellion by

the veteran Gaullist, a central RPR figure for more than 20 years. He quit his place within the party leadership on the euro's launch. "We are abandoning both the franc and another slice of our national sovereignty," he said. "This new step towards a federal Europe, which I oppose, must not be done on the quiet and in defiance of what the people believe."

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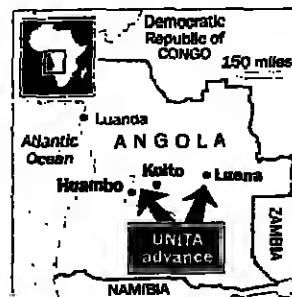
Thousands at risk in siege by Unita forces

By SAM KILEY
AFRICA CORRESPONDENT

THOUSANDS face starvation and death after the United Nations suspension of flights to parts of Angola.

The UN action, ordered after two of its aircraft were shot down, has sparked fears that Unita rebels intend to overrun towns held by the Government and sheltering hundreds of thousands of refugees. The UN for the Total Independence of Angola appears ready to sacrifice thousands of civilian lives in its attempts to take Huambo as well as Luena in the east and Kuito, which is under siege.

The UN aircraft were shot down near Huambo, in the centre of the country, which has been under heavy attack by Unita for the past few weeks. It emerged yesterday that the son of the missing



pilot of the first crashed aircraft was on board the second plane. Hilton Wilkinson, 25, was in Angola helping to find his missing father when his UN flight was shot down on Saturday. His father, John Wilkinson, has been missing since his UN C130 with 13 other people on board crashed in the same area on Boxing Day.

An aid worker in Luanda said yesterday: "There are about 150,000 residents and

another 100,000 refugees who are in desperate need of food and medicines in Huambo. If we are unable to reach them, the chances are that they will perish."

Huambo is close to the headquarters of Dr Jonas Savimbi and his rebels at Andolo and Bailundo.

Unita, retrained and retrained under the noses of the UN's observers since 1994 when Dr Savimbi pledged to demobilise his private army, has launched an offensive on a bewildering number of fronts.

Aided, according to security sources, by retired white South African generals acting as "mercenary consultants", Unita's fronts have closed in on Kuito and are starting to throw a noose round Luena. Cut off from ground supply lines by the rebels, hundreds of thousands of civilians face daily bombardment by Uni-



John Wilkinson, left, the South African UN pilot missing in Angola, and his son Hilton, who is also missing

ta's long-range artillery and mortars. In 1993, Kuito was reduced to rubble during a six-month siege that killed thousands of people and resulted in international outrage.

Now that Unita has been blamed for shooting down two UN aircraft, it is clear that Dr Savimbi has lost interest entirely in making friends externally. Rather, he has opted to

frighten aid agencies out of the skies, which leaves the government troops and civilian populations at his mercy.

There have also been reports that his men have been murdering priests, teachers, administration officials and other educated people in the east of the country in what one security source described as a "Pol Pot-style Year Zero".

Combat role for women

By ROGER MAYNARD
IN SYDNEY

THE prospect of Australian women being ordered into hand-to-hand combat alongside men came a step closer yesterday after the Chief of the Defence Staff agreed that women could no longer be excluded from the front line.

But Admiral Chris PARRY's views were countered by old soldiers' organisations they said women did not have the physique to serve in such roles.

Bruce Ruxton, president of the Returned Services League in Victoria, said that such a move would be unacceptable to most Australians. "It would be a sad day if this country started to put women into the front line they just couldn't cope with the infantry," he said.

Colonel Keith Johnson, Director-General of Public Affairs for the Australian Defence Force, moved to play down the row, saying that deploying women in combat roles was still some time away.

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THE TIMES

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CHANGING TIMES

Fatwa dampens Saudi rulers' celebrations

By MICHAEL BINYON, DIPLOMATIC EDITOR

SAUDI ARABIA'S top religious leader has dealt a blow to the country's elaborate preparations for the centenary of the ruling dynasty by issuing a fatwa condemning the proposed celebrations as heresy.

Mufti Abdul Aziz Abdallah ibn Baz, the senior religious leader, said the plans for the extensive festivities later this month to mark the 100th anniversary of the capture of Riyadh by Abdul Aziz al-Saud, founder of the kingdom, were an imitation of non-believers.

Pamphlets circulating in Riyadh underlined the reservations of the conservative religious establishment to the elaborate festivities. Riyadh was captured in 1902, and the centenary falls this year according to Islamic lunar calculations. Saudi Arabia was formally founded in 1932 by Ibn Saud, who unified most of the Arabian peninsula, and all its subsequent kings have been his sons.

The intensely conservative Muslim establishment of the central region, including Riyadh, recognises only two festivals: Eid al-Fitr, marking the end of Ramadan, and Eid al-Adha, commemorating the sacrifice of a ram by Ibrahim, the prophet known to Jews and Christians as Abraham.

Saudi Arabia is making much of the anniversary, and in the next two months has organised a series of ceremonies and public celebrations to which the country's civil and religious leaders as well as foreign guests have been invited.

In Riyadh a big construction project will celebrate Saudi history at a cost of some £100 million. It aims to restore cultural, economic and administrative activities, and revive archi-

ture in an area that has suffered from economic and physical decay. It will include a new national museum, a landscaped park, renovated mud buildings and a new library and auditorium.

The opposition of conservatives to these secular celebrations has already forced the Government to tone down the festivities. Decorations and coloured lights have been removed from the shops. The Government has also cited the celebrations as a reason for pulling out of the Asian Games in Thailand.

'Decorations and coloured lights have vanished from shop windows'

The Saudi Government is extremely sensitive to criticism by senior Muslim clergy, but has taken tough measures to suppress the fundamentalist preachers, especially around Riyadh, who have denounced the ruling family and criticised Saudi Arabia's friendly relations with the West.

The fatwa, first issued three years ago by the Grand Mufti, also condemns the holding of birthday parties and exchanging presents on events such as birthdays or the opening of shops and schools. The same applied to companies and institutions marking anniversaries. Copies have been stuck on walls and at the entrances to mosques in the past week.

Death row Filipino wins a reprieve

FROM ABBY TAN
IN MANILA

A RAPIST condemned to die was saved at the eleventh hour yesterday by a Philippines Supreme Court decision to postpone the execution.

The court order suspended the execution of Leo Echegaray, a house painter, until June 15 in response to a petition by his lawyers on the ground that legislators wanted to debate the death penalty.

Hundreds of death row prisoners who had been holding a prayer vigil for two days erupted into applause when the news came, three hours before he was due to die. Priests praying at a makeshift chapel 500 yards from the execution chamber jumped in the air.

Nuns and activists burst into a religious song, their eyes brimming with tears. His wife of a week, Zenaida, fainted. Earlier, Echegaray had broken down and cried re-

peatedly while confessing to a priest and hearing Mass in the execution chamber.

In all 864 people are on death row. Among them are three foreigners, including Albert Ernest Wilson, 46, of Kent, convicted in October of raping his 12-year-old step-daughter. He is appealing against his conviction.

The last-minute decision aborted the country's first execution in 22 years. The death penalty was abolished in 1987 but restored in 1994 amid popular clamour after a spate of spectacular crimes involving murders and rape.

Echegaray, 38, was sentenced for the 1996 rape of his daughter, then 11. He was to be executed by lethal injection at 3pm and had been taken to the death chamber to be prepared for the execution.

Earlier, Echegaray had broken down and cried re-

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President snubs call to delay address

By Bronwen Maddox in Washington

THE White House yesterday turned a cold shoulder to calls for President Clinton to postpone his State of the Union address if the Senate has not finished his impeachment trial.

The Senate, which convenes tomorrow, looks set to begin on Monday the historic trial on whether to remove Mr Clinton from office after his impeachment last month by the House of Representatives.

As preparations gather steam, Republican Senate leaders, who have been among Mr Clinton's bitter critics, are appalled at the political risk to their party of a long-drawn-out fight, which still appears to lack public support.

For weeks Trent Lott, the Senate's Majority Leader, has been working with Tom Daschle, leader of the Democratic minority, to drum up support for a "circumlocution" to allow the impeachment debate to be cut short quickly.

They want a quick resolution of the facts, no witnesses, and an immediate vote. But even though the party whips reckon opposition to Mr Clinton in the Senate falls far short of the two-thirds needed to oust him from office, conservatives are insisting on a full-scale trial.

"I would be very sceptical of bypassing what I think is our constitutional duty to have a full airing of the evidence," said Republican Senator Kay Bailey Hutchison of Texas. Conservatives were yesterday campaigning against the suggestion of a "test vote" on whether Mr Clinton's offences justified his removal from office, as a device to cut the trial short.

With the length of the trial still unclear, leading senators from both parties called on Mr Clinton to delay his annual address to the American people, delivered in front of both houses of Congress, currently scheduled for January 19.

Washington wives make bid for power

FROM DAMIAN WHITWORTH in Washington

THE clearest indications yet were given yesterday that Hillary Clinton plans to launch her own political career as preparations continued for her husband's Senate trial.

A senior Democratic senator suggested that Mrs Clinton will leave the White House before the end of her husband's term to make a new home in New York from where she will run for the Senate. A magazine also reported a conversation in which President Clinton suggested she should run for office from the same state.

The revelations came as Elizabeth Dole, the wife of Bob Dole, Mr Clinton's Republican opponent in the 1996 presidential election, announced at a press conference last night that she was resigning as president of the American Red Cross. This is seen as a precursor to her own run for the White House.

Robert Torricelli, the New Jersey senator and head of the Democratic Senate Campaign Committee, said that he believed Mrs Clinton would take up residency in New York before her husband's term ends to run for the seat vacated by Daniel Patrick Moynihan, the distinguished Democrat who is retiring in 2000. He made



Hillary Clinton: "To quit White House early"

his comments off-camera to Tim Russert of NBC's *Meet the Press*, who later disclosed the "mini bombshell".

Mrs Clinton's office maintained its stance of dismissing reports about her future as speculation. But *Vanity Fair* yesterday released advance copies of a forthcoming 15,000-word report on the Clintons' marriage which included an account of a fundraising dinner in the Hamptons last summer. When Mrs Clinton's speech was drowned out by applause, Mr Clinton reportedly turned to Judith Hope, chairwoman of the New York State Democratic Party, and said: "They really love her in New York," to which Ms Hope re-

plied: "She owns New York." Mr Clinton: "Maybe she should consider running for office in New York." Ms Hope: "Well, that's what I think."

There has been talk of Mrs Clinton running for the seat since Mr Moynihan announced his retirement last year. During the November election campaign, with her popularity at an all-time high, she helped Charles Schumer to beat Alfonse D'Amato, the Republican, in the other New York Senate seat and has spent a conspicuous amount of time socialising in the city.

The *Vanity Fair* article, by Gail Sheehy, also gives new insights into how Mrs Clinton keeps going in the face of embarrassing disclosures about her husband's affair with Monica Lewinsky. In a rare interview, her mother, Dorothy Rodham, said: "She was able to do this because she had a commitment to her daughter — somebody outside of her own problems that she was being strong and positive for."

After talking to 50 of the Clintons' closest friends and aides, Sheehy concluded that Mrs Clinton continued to stand by her husband because she loves him, recognises him as an emotionally battered child, and relishes her role as his protector. He is also her one "addiction".



Elizabeth Dole, the wife of Bob Dole, who has announced that she is resigning as president of the American Red Cross in order to launch a political career

Midwife adds fuel to Clinton birth row

By Damian Whitworth

THE lingering mystery over the identity of President Clinton's father took a new twist yesterday after the midwife who delivered him contradicted his mother's account of his birth.

Mr Clinton was brought up to believe that he was fathered by Bill Blythe, a travelling salesman and accused bigamist, who was killed in a car accident two months before the future President was born. But Mr Clinton's biographer, David Maraniss, discovered that there were whispers about his parentage in his home town of Hope, Arkansas, at the time of his birth because nine months earlier Blythe had still been serving in the army in Italy.

The author was contacted by the family of a Louisiana man who appeared to have been having an affair with Virginia, President Clinton's free-spirited mother, at the time of his conception. She dismissed the gossip by saying that young Bill was born prematurely after she had suffered a fall.

But when *Vanity Fair* tracked down Wilma Booker, the nurse whom President Clinton apparently used to refer to as "the first person to spank my butt", she denied he was born prematurely. "Not at that weight."

The former midwife added: "I remember he was a nice size baby, between eight and nine pounds."

Iraq makes veiled threats to the safety of UN Britons

FROM JAMES BONE IN NEW YORK

IRAQ, in a fresh challenge to London and Washington, informed the United Nations yesterday that it could no longer guarantee the safety of British and American staff working on UN humanitarian projects in the country. Iraqi diplomats delivered the veiled threat in an "aide memoire" after being pressed by the UN to supply written clarification of earlier verbal warnings in Baghdad.

The letter, not even written on official dotepaper, explained that the Iraqi Government could not protect British and American relief workers in the wake of the two na-

tions' airstrikes last month. Western diplomats ridiculed the idea that Iraq, a police state, could not protect UN staff if it wanted to. "It's a macho way of saying 'Get them out of the country,'" one diplomat said.

UN officials sought to play down the confrontation, but said the dispute was being taken "very seriously". The UN has traditionally insisted that it has the right to select its international staff. When Iraq objected to American nationals serving in the country with the UN Special Commission in 1997, the UN responded by withdrawing all its weapons inspectors of whatever nationality. Kofi Annan, the UN Secretary-General, now faces a difficult decision of whether to

bend to Iraq's threats and pull out the British and American staff. His aides were due to brief the Security Council last night to gauge its reaction. The UN has about 420 international staff in Iraq working for various UN agencies and administering the "oil-for-food" programme that allows Baghdad to sell limited quantities of oil to finance purchases of food, medicine and other humanitarian supplies. A total of 12 British and one American are said to be affected by Iraq's warning — although about eight of them are thought to be outside the country on leave. Five of the Britons are employed in a mine clearance project in the three Kurdish-controlled northern govern-

rates, but still require entry visas from Baghdad. Several of the other British staff work as inspectors monitoring Iraq's oil exports. UN officials say Baghdad has not objected to two Britons working for UN agencies in the government-run part of the country, nor to a secretary with a top UN official in Baghdad. The warning also did not seem to extend to British staff of Lloyd's Register who oversee imports of humanitarian supplies at border crossings.

□ No-fly zones: Iraqi aircraft probed the edges of the US-enforced no-fly zones over Iraq during the past several days without drawing retaliatory attacks by US warplanes, a Pentagon official said yesterday.

The incursions were the latest in a series of Iraqi challenges to the no-fly zones in the wake of last month's four-day "Desert Fox" air campaign by US and British forces. "There have been instances in the past several days of Iraqi aircraft attempting to fly on the edge of the no-fly zone and even entering the no-fly zone for brief periods," said the Pentagon official, who spoke on condition of anonymity. The White House said the US would continue to enforce the no-fly zones. "It is an important part of our containment policy limiting [Saddam's] ability to threaten his neighbours and repress his own people," said Joe Lockhart, a White House spokesman. (AFP)

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Tony takes a walk on the Wilde side

The Third Way has always led to ruin, says Michael Gove

The Third Way has claimed its third victim. Charlie Whelan, like Geoffrey Robinson and Peter Mandelson before him, has become a victim of Blairism. The traditional approach to propriety in high places, the First Way, exemplified by Peter Carrington after the Falklands invasion, was to admit wrongdoing and resign. The Second Way, being tried by Bill Clinton at the moment, is to deny the charge and then tough it out. The Third Way, we can now see, involves a vigorous denial of any impropriety. And then resignation. It transcends traditional boundaries, not of Right and Left, but right and wrong. Not since Christmas 2,000 years ago, we are asked to believe, has there been such a massacre of the innocents.

Peter and Geoffrey did nothing wrong, but they had to go. Charlie didn't tell anyone what Peter and Geoffrey did, and in any case it wasn't, of course, wrong. But he has to go. The only people who have done something wrong are the press. Why, one hears Mr Blair sigh on the Equator, don't they just go and...

Before, however, we succumb to the temptation to sympathise with the Prime Minister we should realise that he has no one to blame but himself. Charlie Whelan may have been a wasting asset ever since he was filmed by Scottish Television boasting of how he misled the press.

Nemeses may have been inevitable for the man who was, according to one No 10 source, "a little bit of a bad workman blames his tools".

The High Priest of the Third Way is himself at fault. For two things. His "project" is driven by calculation, not principle, and his Government in consequence operates as a court, not an enterprise.

The "project" to which Blair refers, and which John Prescott treats with the same wary disdain as a long-clawed Japanese crab, is easily explained. The Blairite aim is the realignment of British politics. The "project" requires Labour to win a second term and involves the adoption of the euro, the re-engineering of the constitution and the absorption of the Liberal Democrats to create a natural "centre-left" majority on continental lines.

It is both ambitious and limited. It is ambitious in that it seeks to alter the political geography of Britain as comprehensively as any Sixties planner changed the geography of our cities. But it is limited in that it does not seek, as Margaret Thatcher, Clement Attlee, or even William Gladstone did with their huge majorities, to apply consistent ideological principle to the challenges of the age. It is about entrenching a clique's hold on power, not advancing policies for the nation.

Mr Blair is, of course, aware that he should have a philosophy, much as Oscar Wilde was aware that he needed a wife. He finds it hard to be passionate about the idea, but

respectable opinion makes it necessary. And so we have the Third Way. Oscar Wilde tried that, too, neither old bachelor nor new man but something quite novel. And we know where that ended.

The Third Way in foreign policy has meant neither waging war to remove Saddam, nor constructive engagement with Iraq, but bombing him just enough to rally his people. It has meant neither ending arms exports, nor defending them, but combining their sale with lectures on ethics. Robin Cook is reduced to acting as though he were Mr Pecksniff turned pornographer.

At home it has meant neither privatising the Post Office, nor preserving its current value to the Treasury, but a spathcock policy pitifully summed up by a man called Balls as, well, just that. It has led to a policy in Northern Ireland neither wholly British nor really Irish. It is, instead, awash with armed thugs responsible last year for hundreds of unpunished mutilations. More Sicilian, perhaps, than anything else.

In this absence of a clear philosophical lead, with something to believe in, Labour politicians have tried to find someone to believe in. Factions cluster around magnates for advancement.

If you want to understand the Blair Government there is no need to engage a lobbying firm stuffed with former apparitions.

Just go to the library for a copy of Alison Weir's *Lancaster and York: The Wars of the Roses*. Its depiction of England under Henry VI uncannily prefigures Blair's Britain. Patronage is deployed by unscrupulous barons to develop their "affinities" of followers. A premium is placed on show, and the divisions between antagonists are all the more bitter for being ideologically obscure to onlookers. Gordon Brown moves from being Blair's best monetarist buddy to John Prescott's Keynesian ally with the inscrutable ease of Warwick the Kingmaker switching from Lancastrian to Yorkist.

Lowlier ministers concentrate not on developing policies for the good of the people, but currying favour with a magnate to keep hold of office. How else can one explain the persistence in office of Alan Meale? This minister, who has made headlines with his free-lance lobbying for curious businessmen, is in office only because of his friendship with John Prescott. The last reshuffle may have seen off some Brownies, but how else, other than loyalty to the Chancellor, can one explain the continuance in office of Dawn Primorolo, or Doug Henderson?

The facile will say that Mr Whelan had to go because his personality obscured the message. But there is no message. There are only personalities, trying to find the Third Way to the Second Term. But without First Principles.

Michael Gove@the-times.co.uk



"WHERE'S THE SPIN DOCTOR WHEN YOU NEED ONE?"

A note to the head

In a daft debate about the Blair children bunking off lies a more serious issue

You have to hand it to us British: we keep each other entertained. Five days in, and already 1999 offers vintage candidates for Prigfall of the Year, Prig of the Year, and Mystery Document of the Year: all rolled up in a story of stupendous triviality and maximum Prime Ministerial embarrassment.

The priggish, of course, is the fact that during the Blair's well-earned holiday in the sun, David Hart, of the National Association of Head Teachers, decided to torpedo the escape fantasies of new year travel supplements by condemning parents who "damage their children's education" by taking a family holiday in term-time. Whereon the Education Secretary, who should have better antennae, echoed this headmasterly grumble and promised to lean hard on the travel industry over term-time cheapies.

Well, we are all a bit nervous of headmasters, so the media response was muted. The back row merely muttered that cheap deals are the only hope for some families, that teacher-training days constantly sabotage working parents, and that most employers ration staff holidays in August, so that a two-career family may never get one. And what about those who work in the tourist trade? Do they never get a family break? Yet even with all this muttering, there seemed to be a general sullen consensus that OK, the brats should be in school.

The only paper to swing its handbag with any real conviction was *The Independent*, which printed a magnificent leader saying how dare these minions, these "narrow-minded bleating headteachers" lecture "free citizens" who hold the primary legal responsibility for education? Furiously, it advocated that heads taking such a line should "automatically lose any chance of the salary incentives promised them". Phew. This column does not have the espionage resources to bring you full details of which *Independent* leader-writers are planning a freebie in St Anton with little Castimissa and Zoroaster, but you get the picture: outraged middle classes swelling up with guilty indignation, chippy heads squaring for a fight, and meanwhile Duane and Kylie's parents, who wisely ignore most public pronouncements, insouciantly booking the us-

al family tanfest bang in the middle of term.

But then someone counts on his fingers, scratches his head, and realizes that — O joy! — the three Blairians will not be back from the Seychelles today to begin the arduous long state school Easter term. At this point the Prig Tendency starts competing for attention. A Downing Street spokesman says that the unfortunate children — the eldest of whom, may I remind you, is two full years away from even mock GCSEs — will "get some sleep on the plane back and be back behind their desks on Wednesday". After 12 hours on a night flight, breathing nasty air laced with faint chemical toilet fumes, are the Blairians really planning to force these children into school at 8.45am? If so, I give notice that I shall personally shop them to the NSPCC.

Mind you, the Downing Street spokes-prig was only reacting to a stronger contender for the top award, the Headmaster of the London Oratory, John McIntosh. This model of professional discretion informed newspaper reporters that "as far as I am concerned, they should be back at school on Tuesday. They have not applied for a leave of absence and it's well known we take a strong line on this." He went on, as if auditioning for the John Cleese part in *Clockwise*: "I tell parents they must observe what I call the three Hs — haircuts, holidays and homework." If one thing unites all those I have straw-pollled so far, it is the vulgar p-word word with which they describe a head teacher who courts tabloid fame by incontinentally shooting off his mouth about the affairs of individual families.

Especially as the plot thickens: Downing Street claims that Mrs Blair wrote a letter about the flight problem "some time ago". Don't miss the next exciting episode: will the head remonstrate and apologise? Will the undelivered note be found by

snuffed by a grey uniform? Moreover, the age of the fragmented family makes intact ones militantly proud. "We are taking our children to France. You gotta problem, punk?"

I have to admit to a spectacular snatchback in our first child's first school year. We nervously announced that he would miss the summer term to sail 1,700 miles round mainland Britain with us, and could we please borrow some Roger Red-Hat books? Friends with children at tense little pre-preps warned us that the school would go ballistic, but the headmaster of our state primary — a great man, unaccountably not yet knighted — said: "Crikey! He'll learn more doing that than we could teach him." The boy sent back weekly postcards which the class pasted to a large, wobbly outline of the UK, and returned a hero.

Five years later things had changed, with an irritating circular from the governors saying that although the LEA technically allowed for family holidays, odd days off would be put on record as "unauthorised absence" to count against the child in future life. We were planning a museum visit; glowering, I demanded why it was OK to miss school for a Costa but not for an educational day? The head advised a strategic cold: but things were changing, he explained, and something had come weirdly loose in parental attitudes to school. He was all for our kind of trip, but had to sound tough because of children being kept off on such bizarre grounds as "cousins visiting" or "birthday presents to play with". If the school didn't make threats, he said, parentally approved truancy would become routine.

Maybe this is what has alarmed David Hart into his joyless militancy. Maybe teachers now sense such general lack of respect for what they do is contempt, long-fuelled by governmental and Ofsted insults that they lash their tails and snarl back. It is all quite fascinating. Beneath the bickering and intrigue, real questions swirl. Whose child is it anyway? What really helps it to grow? Does travel broaden the mind? How much difference does a day make? Discuss.

And by the way, a tender says that Mrs Blair did write that letter. She's a lawyer. It's what they do.

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Libby Purves

— to ban all discretionary absence is both impossible and stupid.

Those parents who take it generally have good reason, financial or logistical. Most of them, I would guess, have younger children than the Blairians. Their instinct is that two weeks of united family life, foreign travel, shared adventure and outdoor exercise put enough into young minds and bodies to outweigh a small disruption of curricular learning. Or, to descend to the particular, if the Seychelles are the only place the Blair children can get their parents to themselves and relax, and Seychelles flights are awkward, the London Oratory can jump it.

Still, like all daft debates it echoes an underlying truth, especially about younger families. There is, in the early years, a secret struggle between schools and parents over who actually owns this kid. Amid all the fuss about working mothers' childcare we overlook the fact that a lot of parents feel a reluctance to feed an adored and appreciated child into a rigid system. It is not joy that makes us cry when our small, quirky individual is

Wake me up before you go, Gore

Irwin Stelzer on his American nightmare

The forecasters have had their say about the outlook for America in 1999, and we now await the inevitable revisions as reality intrudes. But some of you undoubtedly worry about the longer-term prospects for the world's only superpower. For those who like to think about that, I will share a recurrent nightmare.

It is 2001 and Al Gore is being sworn in as President of the United States after obliterating his Republican opponent. Indeed, so great is voter antipathy to those who believed that a perjurer should be removed from office, the Democrats gain control of both Houses of Congress.

Gore had promised to bring an end to "humankind's assault on the Earth". In his apocalyptic book *Earth in the Balance* he had made clear to the voters that, in his view: "We must change those features of our free market... economic philosophy that we know are flawed by the ecological destruction they legitimise, even encourage." And change them he will. Gore immediately introduces legislation to tighten all environmental standards, even though told by his experts that the costs of compliance far exceed the benefits to be had from these regulations. American industry, saddled with a need to make billions of dollars of new investment, grumbles about becoming non-competitive, but has to comply.

The new President's antipathy to the internal combustion engine is a matter of record. He blames it for everything from the growth of the suburbs — he calls the process by which people find new homes "urban sprawl" and the "malling of America" — to dirty air; the latter despite the fact that cleaner cars and cleaner fuels have reduced auto pollution to lowest-ever levels. So it came as no surprise that he pushed up the price of petrol by three times. No longer can Americans casually decide to hop in their cars and visit granny, or afford a plane ticket to visit her if she has moved to the Sun Belt.

Gore's election campaign was funded in good part by the trade unions, which also provided the doorbell ringers and foot soldiers that turned out the blacks, Hispanics and trade union members that provided him with his margin of victory — just as they had turned the 1998 congressional elections into a triumph for the Democrats and Bill Clinton. The new Speaker of the House, Dick Gephardt, has long been the darling of the trade unions, and is their chosen instrument for getting their way.

Gephardt calls on Gore to present his legislative calendar. Top of the list is a restriction on the importation of any goods produced in countries in which average wages fall below those in the United States; and which do not adopt the stringent environmental regulations that Gore has imposed on American businesses. The effect would be more damaging to the world economy than the Smoot-Hawley tariff that produced the Great Depression, but Gore is beholden to the unions and in no position to deny them their wish.

The next visitor is Senator Edward Kennedy, who delivered to Gore the remains of the Camelot constituency and the women's vote, over which he holds sway, despite a personal history that suggests that his respect for the opposite sex is not total. Kennedy has long sought a major increase in the minimum wage and a universal healthcare plan, funded entirely by taxes on employers. Gore, never as comfortable with limited government and the so-called Third Way as his predecessor, immediately agrees to back that legislation.

And then there is the Hillary problem. With Bill Clinton safely ensconced as president of a Hollywood studio, where he will make full use of all its resources, Hillary now wants something to do until a seat on the Supreme Court or in the Senate opens up. Since Karl Anzani isn't prepared to resign as Secretary-General of the United Nations to make room for Hillary, who now goes by the name: Hillary Rodham, Gore parts her in his Cabinet, as Secretary of Health, Education and Welfare.

Ms Rodham's first move is to seek an injunction against all fast-food shops, which have refused a compromise that would have allowed them to stay open if they converted to salad bars. She also declares caffeine a harmful drug, and bans the sale of coffee. This produces a run on Brazil's currency, which triggers all of Latin America into recession.

Hillary then avenges past insults by banning all cigars, whether paid for smoking or for the less noble purpose to which her now-estranged husband put them.

That last act so personalises the nightmare — a world without cigars is hardly worth contemplating — that I wake up in a cold sweat. After all, it's only a dream. Or is it? Just another part seems implausible?

The author is a Senior Fellow at the Hudson Institute.

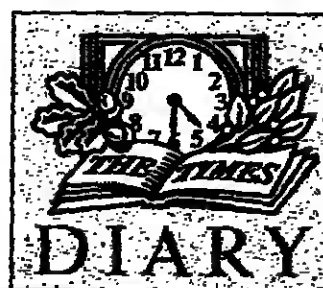
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It's a habit

SKIVING off school is spreading round the Cabinet table. Jack Straw has followed the PM's example by taking his offspring abroad during term time. Charlotte Straw (pictured left), daughter of the Home Secretary, is holidaying with her parents and brother in India, thus missing the first day of term at Pimlico School yesterday. As the three Blair babes return today from their sojourn in the Seychelles, I understand that Charlotte is not expected back for a week. "She missed biology today and is still on holiday," I am informed. Charlotte, studying for A levels, is the younger sister to William — who on the previous Christmas Eve became our most famous teenager when he made the mistake of selling marijuana to an impressively built woman who turned out to be a tabloid investigator. This prompted dear papa to march William to the police.

The purpose of the family trip, along with Mrs Alice Straw, is to set young William off on the right track during his gap year. While William may have been diverted from the hippy trail, I am sure young Charlotte's school career has not gone up in smoke. There is a lack of understanding amongst parents and Cabinet Ministers," David Hart, a union bod, tells me. "Action needs to be taken."

NO great loss, Charlie Whelan. So friends of Gordon Brown.



ning permission to turn stables at his new pad into guest rooms (hopefully, not full of water beds, Jacuzzi, floating bars). Locals grumble that Caine's plan is "not suitable" and will set an "unhealthy precedent". Caine's letter to Mole Valley council explained that "he has no interest in horses".

SO how did the midget formerly known as Prince spend new year? His important composition 1999 promised: "Two thousand zero zero, party over, oops, out of time! and tonight I'm gonna party like it's 1999." Instead, I am told: "Um, as far as I know he didn't really do anything New Year's Eve. Uh, no."

Raising Caine

MICHAEL CAINE has stirred the delicate sensibilities of Leatherhead. The actor, who has swapped America for the more suburban delights of Surrey, has won plan-

towering theatrical talent to the sunny boulevards of Brixton. Soul, who played Hutch in the 1970s cop show that earned him with a Mr Starsky, is to open at the Frigate, a bracing local nightclub.

In the front row will be one Antonio Pargas, alias Huggy Bear. He will not be alone. Martin Bell winces loyally: "I had dinner with David last night and, work permitting, I'm planning to go along."

ROBERT CARLYLE'S Scottish burr has been translated for our Australian cousins. Carlyle, leading trouper in *The Full Monty*, was deemed incomprehensible in Look-



"Father forgive me, for I have not sinned"

ing After Jo Jo, in which he stars as a drugs baron. "Viewers would not understand because the accents were so thick," says a corked hat at Cc TV. "We used subtitles rather than let them struggle on."

How fitting

THE Queen spent new year puzzling over a jigsaw. She was sent six examples by the British Jigsaw Puzzle Library. Its head, Pearl Crompton, chose the games. "Her Majesty likes country scenes, so I sent one called *Farm World* with lots of animals and a romantic one called *Fier Hunter* of a man and woman with a horse." One popular puzzle did not make it — a picture of Diana, Princess of Wales. "I thought that one might be a bit controversial," ventures our Pearl.

JOHN PRESCOTT is to pulp the House of Commons Christmas tree to promote greenery ways. Unkind souls tell me he has nicknamed the dead tree "Peter".

Clear enough?

KIRSTY WARK, the porcelain face of *Newsnight*, is the latest target of "crony-hunters". Ms Wark, (pictured), who sat on the panel which chose the Scottish parliament build-



ing, has been awarded £86,000 of lottery buns towards a three-part programme she is making about the project through her production company, Wark-Clements. Willie Rennie, chief executive of the Scottish Lib Dems, says: "It is up to her to make clear that there has been no financial gain. We need absolute transparency after recent events." Ms Wark says she declared her link immediately and that she has "no further involvement in the parliament".

JASPER GERARD



STORMS AND TEACUPS

Drift is the real danger that Blair must avoid

The departure of Charlie Whelan, the Chancellor's colourful but destructive press secretary, is not likely in itself to prove of enormous consequence to the direction and fortunes of the Government. His resignation is best seen as a postscript to the dramatic events surrounding the fall of Peter Mandelson rather than a political sensation in its own right. Gordon Brown is entitled to appoint someone he trusts to represent him before the media. It would be in the Chancellor's interests, however, if that person did not unleash so much aggression on other Cabinet members.

The combination of the Mandelson affair itself and Tony Blair's absence abroad has allowed three potentially dangerous perceptions to creep up on his administration. The first is that a picture of fratricide and faction, in many quarters exaggerated, has been placed before the electorate. The second is that the entire new Labour experiment is dependent on an extraordinarily small number of people, the most central of whom, Mr Mandelson, has now left office under a cloud. The third, and most lethal, implication is that the Prime Minister's cause has been so damaged by these events that the traditionalist branch of the Labour Party, led by John Prescott in an alliance with Mr Brown, is destined to become ascendant in the year to come.

The evidence for all three assertions is, for the moment at least, less than compelling. This Government certainly contains more than its fair share of abrasive personalities and tender egos. That is perhaps not surprising after two decades of opposition and in light of the modest challenge to ministers that the Conservatives can currently muster. Mr Whelan's demise offers the Prime Minister and Chancellor to draw a line under past feuds. Mr Mandelson, for all his talents, was still more closely associated with the presentation rather than the hard policy

aspects of Mr Blair's project. His support for the single currency and electoral reform might, if followed, have led the Prime Minister into truly precarious territory.

The sense that the balance within the Cabinet may have altered and that the modernising camp within the Government has faltered is not one that the Prime Minister can let fester. Once again the sentiment sits on slim foundations. It is based on little more than a single, largely innocuous, interview with John Prescott in which some praise was offered for both John Maynard Keynes and the Chancellor. Nevertheless, there is the more tangible fear that, as the economy slows and mid-term apathy approaches, Mr Blair's resolve to press ahead with radical reforms in education and the welfare state might encounter enhanced resistance. The temptation to drop, to dilute or to defer these measures to an already somewhat cluttered second term may become overpowering. The most appealing aspect of new Labour, a willingness to entertain the idea that the proper role of the State is to do somewhat less rather more effectively, may be smothered by what has always been its least attractive trait, an obsession with its popularity as measured by poll ratings.

It would be faintly ludicrous to suggest that a Government with a majority of 180 in the House of Commons and huge public support still behind it needs anything as dramatic as a relaunch. But the Prime Minister's low profile over the past two weeks, though understandable, has allowed uncertainty to creep into Westminster and Whitehall. If that ambiguity becomes drift and inertia, Mr Blair will have missed an important opportunity. This momentum cannot necessarily be recaptured at some convenient future moment. The Prime Minister needs to spend the next few weeks at home reasserting his personal political agenda.

PITY PAKISTAN

A wretched mess of intolerance, killings and corruption

The massacre of at least 16 Shia Pakistanis at prayer in a mosque in the Punjab city of Multan is another grim example of the religious fanaticism that is destroying government and society in Pakistan. The Sunni gunmen sprayed worshippers with bullets as they were listening to a sermon. This was a brutal response to the special anti-terrorism court, set up only two weeks ago, which has already sentenced to death 14 Sunni and Shia extremists for sectarian murders. Religious vendettas between the Sunni majority and the Shia Muslims who form a fifth of the population have claimed hundreds of lives in the past two years. But they are only one aspect of a deadly combination of lawlessness, intimidation, assassinations and corruption that has already brought this unhappy country close to political and economic collapse.

Pakistanis will look in vain to their Government to end these horrors. In addition to the sectarian conflict that affects most Muslim countries, Pakistan also suffers from the debilitating violence in Karachi between the Muttahida Qom Movement (MQM), the organisation representing Muslims who immigrated from India after partition, and the indigenous population. The violence, which has killed most commercial initiative in this former centre of trade, is now spilling beyond city and into all local politics. It finds an echo in the clashes to the north, where heavily armed refugees from the war in Afghanistan have exacerbated tribal divisions.

Nawaz Sharif, the Prime Minister, has promised to crack down on terrorism. But he shows neither the will nor capacity to do so. He himself has only just escaped assassination, when a bomb exploded

under a bridge on the road to his family farm. As usual, the finger has been pointed at Indian intelligence agents; more likely perpetrators are MQM militants and political enemies who are locked in a bitter struggle with Mr Sharif.

In many ways the Prime Minister is in an enviable position. He has an overwhelming parliamentary majority. He has won the power struggle with the former President, and with Pakistan's judiciary, emerging with a stronger hand than any previous democratically elected leader. The political opposition is discredited by the allegations of corruption levelled at Benazir Bhutto, her family and her cronies. But he has thrown away his advantage. He has done little to liberalise the economy, reform the country's political institutions or crack down on corruption. He has shown himself to be as venal and opportunist as most politicians. And he appears greedy for absolute power with little idea of how to use it for Pakistan's advantage.

There is an illusion in Pakistan that because it has exploded a nuclear bomb, it commands world respect. Pakistanis believe that they will be bailed out of their largely self-made economic mess because of their strategic and political importance. In fact, the resort to nuclear testing, just like Mr Sharif's embrace of an ever more rigid Islamisation, is a populist attempt to hide the failings of his rule. Both may bring short-lived popularity. But the costs — a cut in foreign aid and growing religious intolerance — are weighing heavily on the population. The weekend upsurge of violence should be a warning to the lacklustre Government to tackle the country's enormous underlying problems.

THE PRE-MILLENNIUM BUG

Flu is best treated at home not in hospital

If life were a game of Monopoly, there would be a space marked Bed, and a Chance card, giving strict instructions: "You have flu. Move directly to bed. Do not pass Go. Do not go to hospital. Miss three goes." Sadly, many people who have been struck down by the current flu virus still need to be given such simple advice. Feverish, coughing and spluttering, they have made their way to doctors' surgeries or hospitals — some by ambulance — where they languish for hours, passing their illness on, only to be told that there is no magical cure. For most people, the best cure is simple: take a hot, sweet drink, find a good book or programme and go to bed.

Although the earliest description of an influenza epidemic was recorded in 1610, the term was first widely used in 1743 to describe what the *London Magazine* called "a contagious distemper" raging in Italy. Lord Chesterfield told his son that influenza is "a little fever, of which scarcely anyone dies; and it generally goes off with a little looseness". A century and a half later, an estimated 20 million died in the 1918 outbreak of Spanish influenza, which ranks with the Black Death as one of the severest outbreaks of diseases ever. Today, however, thanks in part to vaccinations, Lord Chesterfield's advice holds. Those most at risk are infants and the elderly, especially if they are suffering from bronchitis, pneumonia or other debilitating disorders. If they are swamped by less

deserving cases, surgeries and emergency wards might well be unable to provide this vulnerable group with the care and attention they need.

Despite the best efforts of hypochondriacs, the current outbreak of H3N2 Sydney flu is nowhere near epidemic proportions. To be classified as an "epidemic", more than 400 cases of flu per 100,000 people need to be recorded a week — five times the current level of those who have caught this pre-millennium bug. But some hospitals are already straining to cope, even though the Government is spending an extra £250 million to help to tide the NHS through any winter crisis. Patients are being treated in ambulances and serious cases shipped across the country in search of a bed. Yet lack of beds disguises the real problem. Even if there were more beds, there would not be the nurses needed to look after those resting in them.

Like teaching, nursing is a profession suffering from a retention and recruitment crisis. The exodus of qualified nurses, many of whom are being lured into the private sector by higher salaries, is putting an increasing number of hospitals — particularly their intensive care units — under immense strain. There are, overall, 8,000 nursing vacancies and, for the first time, spaces on nurses' training courses. Until the image and pay structure of nursing is overhauled, this problem — unlike Sydney flu — will not disappear.

UK candidates for Brussels posts

From Sir Roy Denman

Sir, Well before the end of this year the Government will need to decide who should be the two next British members of the European Commission. The assumption in Brussels is that Neil Kinnock will remain for a well merited second term and that Sir Leon Brittan, after 11 years, will step down.

The successor to Sir Leon could normally have been expected to be a Conservative. But the policy towards Europe recently adopted by the Conservative Party is to oppose not only British membership of the single currency for at least the next eight years but any of the further economic and political integration which will inexorably follow the euro.

Thus to send a Conservative as a European Commissioner would be tantamount to selecting a member of a league of atheists to fill the vacancy for a bishop.

Surely the sensible solution would be to appoint a leading member of the party which has for many years supported European integration. Either Paddy Ashdown or Menzies Campbell has the ability and the knowledge of European questions to make a first-class commissioner.

Yours faithfully,
ROY DENMAN
(Director-General for External Affairs, EEC Commission, 1977-82, 26 St Luke's Street, SW3 3RP, January 3).

Launch of the euro

From Mr Stan Snowden

Sir, The negative views expressed about the euro by Sir John Craven and others (letter, January 1) are understandable, but I am surprised to note that the Executive Director of the Federation of Small Businesses is among the signatories. Multinational trading conglomerates will benefit least from joining the euro. The real beneficiaries, in my view, will be small and medium-sized enterprises (SMEs).

If we entered euroland our SMEs would enjoy access to longer-term finance at lower interest rates, as do our European competitors. This would help to lower overheads, increase competitiveness and extend the survival rate of SMEs. At present the survival rate is three years for 53 per cent of SMEs in the North West region.

Your correspondents also point out that we have the fifth largest trading economy in the world. However, and despite the fact that we also have the lowest rates of corporation tax, our living standards are among the lowest in Europe.

What is right for Europe will be good for Britain too.

Yours faithfully,
STAN SNOWDON
(Managing Director, Staffordshire Giftware Ltd, 84 Belgrave Avenue, Congleton, Cheshire CW12 1HT, January 2).

From Mr Bill Cash, MP for Stone (Conservative)

Sir, Your leading article of January 2, "A German Europe", states that Germany has now abandoned her previous "conciliatory EU posture".

It always was a posture, as I indicated in my pamphlet, *British and German National Interests*, published by the European Foundation last September.

The single currency and EMU came about through the Maastricht treaty, which I warned John Major, at the time, would create an undemocratic and German Europe. He and his Cabinet allowed EMU to go ahead. In a protocol to the treaty EMU is expressed as "irrevocable". So too, therefore, is political union, for the two are inseparable.

It falls, as ever, to the British people to redeem this disastrous situation by a "no" vote in the referendum.

Yours faithfully,
BILL CASH
(Chairman, The European Foundation, 61 Pall Mall, SW1Y 5HZ, January 3).

From Dr Philip E. Roe

Sir, Why is the euro the size that it is? It is too large to function as the only unit since many things can be bought for less. But if it is divided into 100 cents the cent is too small and will not buy anything. The ideal size of a monetary unit is surely the smallest amount anyone would bother with — about 2p.

The inventors of that other inconvenient continental unit, the metre, just too long for a stride, based it on the circumference of the Earth. Does anything in nature correspond to 70p?

Yours etc,
PHILIP ROE
157 Verulam Road,
St Albans, Hertfordshire AL3 4DW,
philip.e.roe@btinternet.com

From Mr John Gibbs

Sir, "Euroland" is English (report, January 4). Well, well. How did they tell? There was I thinking it was German.

Yours faithfully,
JOHN GIBBS
14 Queen Street, Maesteg CF34 9YN, January 4.

LETTERS TO THE EDITOR

1 Pennington Street, London E1 9XN Telephone 0171-782 5000

The spirit of optimism in our 'moral wasteland'

From Mr Charles T. Ross

Sir, David Selbourne cheers up the new year by ranting our consciences at the widespread cynicism which he thinks is causing our civilisation to descend into the abyss (article extract, "Our moral wasteland", December 30).

No one can be complacent about the failures in our society which he lists, but Jeremiahs all seem to compare today's inadequacies with some mythical lost paradise of yesteryear. Take his first point about the way some old people are regarded as commodities by private care homes; this compares, not so much with a past in which every elderly couple lived in the bosom of a caring, loving, extended family, but with the terror, even in living memory, of the workhouse.

He cites the number of arson attacks on schools. Fifty years ago some 20 per cent of our children received a reasonable education — now, perhaps 70 per cent do. Of course, this is not good enough, but we should ask ourselves what sort of experience encourages youngsters to try and burn down their schools?

The big shock horror is "the moral quagmire" of our divorce rate. Perhaps this level of failure should encourage us to reflect on the culture of how people are encouraged to select their partners in the first place. What might these statistics indicate about the experience of couples who for centuries were forced to live with their mistakes? Selbourne pines for the nuclear family — yet look at the weight of evidence of the stress this can cause.

In the extract you have published Selbourne offers no solutions to what he calls "moral evasion". But there is hope. In this century we have achieved universal suffrage — so we begin to influence how we are governed; deference to a static hereditary system is on the wane. We have

created the welfare state. The National Health Service may have its faults but it is a beacon of civilisation. More than half the population have jobs that give them genuine satisfaction and the percentage rises annually.

Of course there are problems, there always will be, and there is much to be done, but we go into the new millennium better fed, in better health, better clothed and housed, less superstitious and better educated to enjoy our knowledge, art and culture. We may not do it in the name of religion, but our community is increasingly tolerant, generous and compassionate.

Yours sincerely,
CHARLES T. ROSS,
Mulberry House, 8 Mount Road,
Lansdown, Bath BA1 5PW,
January 1.

From Mrs Mary C. Smith

Sir, David Selbourne has given us all a salutary warning. We have switched off the engine and are free-wheeling into what is fast becoming an amoral society. What else do we expect when the Christian religion has largely been thrown out of schools and the vast majority of homes?

The Christian Church has become apologetic concerning its belief, and is, in some areas of life, trying to dispense with morality altogether, blurring the divide between right and wrong.

Yours sincerely,
MARY C. SMITH,
54 Eastern Road, N2 9LA,
December 31.

From Mr P. J. Riddell

Sir, While what David Selbourne writes is undeniable, I found myself wishing that he might put his formidable skills towards encouraging people. By assembling all that is

wrong, we can easily depress ourselves. But the picture should be balanced by cataloguing some of the multitude of generous and noble actions which we also encounter.

It is difficult to assess the current state of the struggle between good and evil in a particular people — one's judgment is so affected by one's own frame of mind at the time. Mr Selbourne's article stands in contrast to the spirit of this Christmas season, by marking which, we affirm our belief that however dark things may seem, there is hope — evil will not triumph. A prophet, while warning of dangers ahead, has a duty to reflect that hope, and seek to inspire people to better things.

Yours sincerely,
P. J. RIDDELL,
12a Northam Road, Oxford OX2 6SF,
December 31.

From Mrs E. Wheeler

Sir, "Our moral wasteland" certainly made for thought-provoking reading. It did not surprise me that most of the quotes used by David Selbourne came from *The Guardian*. I was a devoted reader of that paper for many years until I could no longer bear the dark, debilitating cynicism which began to fill its pages. On every moral issue it took the so-called "forward-looking" trendy view.

But where did the second largest source of quotes come from? From *The Times*. Does this give you food for thought? You cannot condemn moral cynicism and social confusion and then give inches of column space to those who perpetrate them. Where will you make your stand?

Yours faithfully,
E. WHEELER,
5 Goodwood Close,
Waterlooville, Hampshire PO8 8BG,
100531.2573@compuserve.com
December 30.

Hopes for model housing dashed

From Mr G. M. Wedd

Sir, As one of the civil servants on whom, among others, Mr Michael Moore (letter, December 30) heaps the responsibility for the Park Hill estate in Sheffield, may I express a view contrary to his, and your other correspondents?

Park Hill is highly ingenious. The way the flats wrap around the walkways and the ribbon of building is laid out so that every walkway but one reaches ground level somewhere, represents good, creative architecture.

Three things went wrong with Park Hill, as with almost all other public housing of that period. Standards were low. Ceiling heights were kept to the minimum thought necessary for health. Soundproofing was very poor: no one in the 1930s foresaw that every room in every flat would contain a TV or ghetto-blasters. Parking provision was derisory; it was thought that those who could afford a car should get out of heavily subsidised accommodation.

Of necessity, the flats were allocated to people for whom they were not suitable, rather than the young professionals or retired couples; but these latter were not at the top of the waiting list. A family with three or four young children — who will all too soon turn into three or four teenagers, chaffing at the constraints of such a lifestyle — would be far better off in a semi or terrace house.

Woodland burials

From the Director of The Natural Death Centre

Sir, Your leading article, "The dominions of death" (December 29), praises the Oakfield woodland burial ground at Waltham in Essex and calls for more such sites. The first woodland burial ground in the UK was opened in Carlisle in 1993. Today there are 84 such grounds. It is the fastest growing environmental movement in the UK.

Our charity runs an association to link these sites and gives awards to the best. The most recent winner was the Greenhaven farm near Rugby, which charges a mere £490 for grave, tree, biodegradable coffin and collection of the body, even from as far away as London.

This brings environmentally friendly burial within the reach of those who might otherwise have chosen the more polluting option of cremation, with its often drab and rushed service.

Yours faithfully,
JOSEFINE SPEYER, Director,
The Natural Death Centre,
20 Heber Road, NW2 6AA,
January 1.

Shakespeare honoured

From Mr Michael Heilman

Sir, It was wonderful to read the significant space *The Times* devoted to Shakespeare today.

The educational system in most of the US has trivialised and reduced his work to tedium. He has been held hostage by the elite. I'm glad to see him honoured in the land of his birth.

Yours etc,
MICHAEL HEILMAN,
11546 Hickory Cluster,
Reston, VA 20190-3601,
bdhmf@erols.com
January 2.

Pain in the toe

From Dr Andrew Bamji

Sir, I have suggested for years that the common belief that gout is due to an excess of port, among other wines (article, "Just like toothache in the big toe", Weekend, December 26), is due to the loss, probably last century, of two letters from the name of its precipitant. It is portier, not port.

Portier, of course, is beer, so Adam Edwards's switch to this beverage will undoubtedly make his gout worse. We now know that the yeasts in beer, which are broken down to uric acid, are the cause. Other foods rich in purines, red meat and yeast extract among them, are villains also.

In any event, if he was taking enough allopurinol he should not get gout at all. So I would advise eschewing beer, yeast extract and fillet steak, and stick to the wee dram now and again.

Yours spiritedly,
ANDREW BAMJI
(Consultant rheumatologist),
Greylands, 58 Godington Lane,
Orpington, Kent BR6 9DS,
andrew_bamji@compuserve.com
December 28.

That sinking feeling

From Mr Frederick King

Sir, I have an ambition (not yet realised) to tip out water from a washing-up bowl, and to find it empty. There is always a teaspoon.

Yours faithfully,
F. KING,
The Barn, Chapel Allerton,
Aldridge, Somerset BS26 2PH,
January 3.

Letters should carry a daytime telephone number. They may be faxed to 0171-782 5046. e-mail to: letters@the-times.co.uk

Balliol protest

From Professor Emeritus W. L. Gage

Sir, Your Balliol correspondent Kate Adkinson (letter, December 30) complains, not of the principle of some student contribution, but of the timing of the payment.

The danger of the deferred graduate tax which she proposes is that students may fail to respect the assets or the cost-control procedures of their university. They may not see themselves as stakeholders.

Yours faithfully,
BILL GAGE,
35 St Lawrence Drive,
Pinner, Middlesex HA5 2RW,
December 30.

Golden years

From Mr John Pullan

Sir, As I am reformed and on the doorstep of drawing my old-age pension I protest at the prospect of being called a "senior" (letters, December 28 and 31).

If you are young, you are young. If you are middle-aged, you are middle-aged. If you are old, no euphemism can alter the fact.

How you feel is quite different.

Yours faithfully,
JOHN PULLAN,
32 Twatling Road,
Barni Green, Birmingham B45 8HT,
jpullan9@aol.com
January 1.

The strain of the train

From Dr J. R. C. West

Sir, Mr M. R. K. Holden (letter, December 30) asks for a new slogan for British Rail in the light of "the appalling conditions many customers now endure".

After two very substandard trips to Cornwall by Great Western in August I wrote to the Customer Relations Department, suggesting the change of one letter only, i.e. "Let the train make the strain".

I received a reply and compensation, but no thanks for my suggestion.

Yours faithfully,
JOHN WEST,
9 Ullswater Road, Barnes, SW13 9PL,
December 30.

From Mr Jack Smith

Sir, Those of us who had a hand in the campaign in which "Let the train take the strain" was a major and very effective component are still delighted when it is resuscitated from time to time, after so many years.

As a professional railwayman of over 62 years' experience, may I suggest that its successor for 1999 should be: "Come back, British Railways, all is forgiven."

Yours faithfully,
JACK SMITH,
Holturil, Hermitage Road,
Cold Ash, Newbury RG18 9JG,
January 1.

From Mr Paul Phillips

Sir, How about "Here today, still here tomorrow?"

Yours faithfully,
P. J. PHILLIPS,
16 Burns Green,
Bentington, Stevenage,
Hertfordshire SG2 7DA,
pjp@hampers.globalnet.co.uk
January 2.



Michael Owen slips his second goal past Shay Given of Newcastle in Liverpool's 4-2 win last week. Owen's six points took his total to 26. Photograph: Dan Chung/Reuters

Cup break gives players chance to boost confidence

Stan Collymore, two goals against Hull City; Ibrahim Bakayoko, a brace at Bristol City; Gianluca Vialli, Steven Iversen and Richie Humphreys, another two each against Oldham Athletic, Watford and Norwich City. And the crowning glory, a Darren Huckerby hat-trick as Coventry City hit seven goals past Macclesfield. Great goalkeeping performances, coupled with fine defensive displays by Liverpool, Blackburn Rovers and Chelsea: unfortunately, all counting for nothing in *Times* Fantasy League terms.

With FA Cup matches not counting towards Fantasy league points totals, the form of the players mentioned above is only noteworthy inasmuch as it may signify their confidence going into the next round of Premiership games, some of which are significant indeed.

The bottom four clubs come face to face when Nottingham Forest visit Coventry, while Southampton welcome Charlton to The Dell. Wimbledon play Derby, the last time they will face anyone other than Tottenham for some time, with FA and Worthington Cup ties following hard on the heels of the league meeting at White Hart Lane.

This week's tables are updated to include the eight games played on Bank Holiday Monday (December 28) and the following evening's games between Chelsea and Manchester United and Leeds and Wimbledon.

It was a programme of matches that saw John Harrison and Ian Wright rediscover the goal touch that both had been sorely missing over previous weeks, and Arsenal remind everyone that they will not surrender their championship lightly with a clean sheet in victory at Charlton. Villa stayed ahead thanks to goals from defenders Ugo Ehiogu and the far-from-prolific Gareth Southgate, and Liverpool continued their recent improvement against Newcastle with two each from Michael Owen and Karlheinz Riedle.

The most impressive individual performance of the week, however,

worth nine points, was that of Chris Armstrong of Tottenham, who scored three goals in the 4-1 win over Everton.

His rise to the top began at Wrexham, following a free transfer from Llay Welfare in March 1989, before a £500,000 fee took him to Millwall in 1991. His stay in the capital continued at Crystal Palace and then Tottenham, who paid Palace the surprising sum of £4,500,000 during the 1995 close season, bearing in mind that he had scored only eight goals. Injuries have often held him back at White Hart Lane but his ability to score goals has never been in doubt, and he is a deserving winner of our first Fantasy League player of the week award for 1999.

Do not forget to check your team total against today's ON-Target numbers. If the numbers match, you have qualified to enter a draw which could win you £500 cash plus an EA Sports Pack. Even if your team scored no points at all in the week beginning December 28, you still have a chance of winning.

Actually, I was thinking of a Wimbledon player when prompted to sign.

Well, Jason Euell, until his sending off on Saturday; but I was also having second thoughts about him because Joe Kinnear is playing him a bit deeper this season, and I'd rather have my forward picks right up front where they can get among the goals. What about Carl

Leaburn? Joe seems to have great faith in him. Probably because he didn't pay very much for him, and he likes to annoy other managers about how little his team cost. But I thought you already had a Wimbledon player in your "Favourite XI". Yes, this is for one of my other teams. You know, I'm not sure if Wimbledon players are the right ones to be looking at. All those cup ties might distract their attention from the league games. Good point, I suppose teams like Manchester United and Chelsea need to get as many points under their belts as possible before the European stuff starts again. So they could be good teams to raid for stars. But all their players would be pricey. True, so steer clear. And if you're looking for another excuse not to sign Chelsea players, there seems to be a risk of their players being injured by foreign objects thrown from the stands, if the cup tie at Oldham is anything to go by. Hot dog!

Who had you planned on signing? Well, Jason Euell, until his sending off on Saturday; but I was also having second thoughts about him because Joe Kinnear is playing him a bit deeper this season, and I'd rather have my forward picks right up front where they can get among the goals. What about Carl



As I was saying

It's a bit of a shame that FA Cup games don't count in Fantasy League, isn't it? Depending on the players in your teams, yes.

I mean, if you had Darren Huckerby, you would have got nine points for his hat-trick against Macclesfield.

Perhaps that proves that it's a good job FA Cup results aren't counted. Should a goal against Macclesfield Town count as much as a goal against Nottingham Forest?

About the same, wouldn't you say? Forest lost at home to Portsmouth, after all. Yes, but Macclesfield have now gone out of the cup 7-0 two seasons in a row. And I'll bet Coventry would swap six of those goals on Saturday for one against Forest, whom they play next week.

That's a big game. If Coventry lose that one, they could be dragged back into the bottom three. Likely to be right, I'd say. Steer clear of attackers involved in that one if you're planning any transfers. The defenders might not be a bad risk, though.

Who had you planned on signing? Well, Jason Euell, until his sending off on Saturday; but I was also having second thoughts about him because Joe Kinnear is playing him a bit deeper this season, and I'd rather have my forward picks right up front where they can get among the goals. What about Carl



CHOOSE YOUR PLAYERS FROM HERE

Columns show: code, name, club, weekly points, total points, valuation (m).					
GOALKEEPERS					
102	D. Seaman	ARS	0	0	3.7
103	A. Marshall	AST	0	0	3.4
104	M. Hogg	AST	0	0	3.4
105	A. Hogg	AST	0	0	3.4
106	A. Hogg	AST	0	0	3.4
107	A. Hogg	AST	0	0	3.4
108	A. Hogg	AST	0	0	3.4
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111	A. Hogg	AST	0	0	3.4
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153	A. Hogg	AST	0	0	3.4
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Carbone a fine catch for Tiddlers

The £1,000 prize for December is heading to North Yorkshire, thanks in no small part to 16 points from the talented Italian

December was a month of big games, outstanding individual performances and controversial refereeing decisions. Like every other month in the FA Carling Premiership, in other words. But there was the extra spice of the holiday fixtures, and the two titanic clashes between Chelsea and Manchester United.

So, what will we remember December for, and who were the Fantasy League players who made their marks on the month? Aston Villa managed to say ahead of the chasing pack despite defeat at Chelsea: they made up for it by beating Arsenal 3-2 in a thrilling come-from-behind performance and sharing the points with Manchester United. At the other end of the table, Charlton began to slide into danger, and Southampton suggested that a rally might be on until Chelsea took three points at The Dell.

Referees were predictably the fore thanks to the controversial dismissals of Michael Oakes, the Villa goalkeeper, in the defeat at Blackburn, and Patrick Vieira of Arsenal in their 1-0 win at The Valley.

Arguably the player of the month was Benito Carbone of Sheffield Wednesday, who enjoyed a purple patch in the middle of the month with goals against Nottingham Forest and Charlton Athletic, and his absence on Boxing Day was keenly felt when Leicester triumphed at Hillsborough. Carbone contributed 16 points to Tom's Tiddlers, the team chosen by the winner of the monthly prize for December, Brian Longbone of Pickering, North Yorkshire.

Pressure of work meant that Mr Longbone, a surveyor, was unable to pay as much attention as he might have liked to the progress of his side: thus news of his prize of £1,000 plus £100 worth of sports equipment was something of a surprise. "It has come as a shock," he said. "I thought I'd picked a good team, but not that good."

Mr Longbone took a methodical approach to team selection, working out how much he could afford to spend on each position. "You have a financial constraint," he said. "It might not have been the team I'd have picked if I had had free rein." Such strict financial planning was the reason behind the selection of Jimmy Floyd Hasselbaink, Mr Longbone's top points scorer, with 17. "£15 million for Alan Shearer would be a lot of money to tie up in one position. Hasselbaink was good value."

Mr Longbone has no particular footballing allegiance. "I just like to



Tom's Tiddlers	21
E De Geay (CHE)	4
D Irwin (MAN)	4
W Taylor (NEW)	4
M Elliott (LEI)	4
R Forster (WES)	4
B Carbone (SHE)	4
D Anderson (TOT)	4
P Ince (LIV)	4
M Hughes (WIM)	4
J Joachim (AST)	4
J F Hasselbaink (LEE)	4
Total points: 36	

see good football, and I try to identify what a good footballer should be.

In general, he avoided "controversial figures; the team is based on good quality professional players". Some might wonder about the inclusion of Warren Barton, who has played at left back for Newcastle this season, despite the admission of Ruud Gullit, his manager, that "he hasn't got a left foot", but the selection of Michael Hughes and Julian Joachim, both of whom have garnered rave reviews for their performances this season, shows that Mr Longbone's policy of not breaking the bank for big stars can bring success. Are you watching, Mr Vialli?

The winner of the weekly prize of £500 plus £100 worth of sports equipment, Ridwan Patel, of the University of Surrey, had Chris Armstrong of Tottenham, our player of the week and scorer of a hat-trick against Everton, to thank for nine of the 26 points scored by his team. The Superstics. Three of his four defenders (Dennis Irwin, Steve Walsh and Rio Ferdinand) managed clean sheets, while Robbie Earle and Dean Surridge came up with valuable goals.



The new Ian Wright? Chris Armstrong also left Crystal Palace for North London, and now finds himself working under George Graham, as Wright did during his best days at Arsenal. His hat-trick against Everton ensured that the Spurs revival continued; the chat-show is surely only a matter of time...

FANTASY LEAGUE TOP 100

1	Phil Clarke	Sheff Wed	236
2	Tony Mangan	Tot's Terror	228
3	Michael Langdon	Hemphill's	227
4	Sean Morgan	On Not Agan Ref	225
5	Wendie Riedel	Kelso Kings 8	224
6	Osia Smith	Corazon Fie 5	222
7	Sean Eastwood	Coen Brothers	220
8	Phil Tisdale	Pen-Up 7	220
9	John Lofthouse	In The City	217
10	Terry Butler	Robert's Rovers	216
11	David Young	Dave 10	214
12	John Lofthouse	Solid At The Bar	212
13	Terry Butler	B's Revenge	212
14	Robert Little	Dion Dion Dion	212
15	Thomas Meakin	Broken Arrow	211
16	James Walsh	Tigers Argyle	211
17	Steve O'Neil	Locomotor No 66	211
18	Stuart Butler	The Times	210
19	John Hives	On The Wagon	210
20	Michael Lynn	Boogaloo Dudes	210
21	Steve O'Neil	Samson's	210
22	Richard Deane	Porno Flick	210
23	James Walsh	Tigers Argyle	210
24	Steve O'Neil	Locomotor No 66	210
25	John White	Fusegear	210
26	Brian Hightdale	Dave's Deans FC	209
27	Scott Brett	Scott's Stars	209
28	Alan Westing	Lynsides Army 94	209
29	Robbie Playdon	Robbie's Raiders	209
30	Ray Walker	Blue & Black Bar	208
31	Steve O'Neil	Murphy's Movers	208
32	Mike Shipley	Murphy's Movers	208
33	James Ingles	Prize O The Rock	207
34	Phil Tisdale	Stak Vanil	207
35	James Barker	The Times	207
36	Marlin White	Grampus Gunners	207
37	Ron Allport	Cyclones	206
38	Alan Westing	Earnies Fias	206
39	Sam Nalah	Samson's	205
40	Nathan Carroll	Nat's Champions	205
41	James Barker	Grand Pen Pals	205
42	Gary Levermore	Tot's Terror	205
43	Phil Tisdale	Premier Crusader	205
44	Mike Shipley	Polykum Yagler	205
45	Andrew P. Hoyle	Team 6	204
46	Tommy Gammage	Shorlston	204
47	Pauline Haggerty	Shorlston Two	204
48	Jim Byrne	Trumpet Tuesday	204
49	James McGregor	Patentals	204
50	Alan Gardner	Do I Need Owenie	204
51	Nicholas Langford	Peter's Dragons	203
52	Darren Brannigan	Crosscomprende	203
53	Keith Davies	Monday Moans	203
54	Paul Cotton	Lees Eleven	203
55	Ross Broadhurst	Euro Stars	203
56	Oliver Chapman	£20,000	202
57	Andrew Marsh	Wigston Rangers	202
58	Jonathan Bassett	Ex My Goal	202
59	Ross Broadhurst	Bazzer's Boys	201
60	Gordon Crutchley	Team 7152	201
61	Joe Singh	Super Saddlers 8	201
62	Pauline Haggerty	Inter City 442	201
63	Joe Singh	Goal 71 Us	201
64	Joe Singh	Throwdown	201
65	Joe Singh	Alldiswashago	201
66	Robert Mortimer	Whoo-Hoo	200
67	Phil Tisdale	Pin-Up	200
68	Joe Singh	Colour Me Blue	200
69	Joe Singh	We Hate Bookham	200
70	Robert Tidd	Bob's Blast	200
71	Joe Singh	Minor Threat	200
72	Joe Singh	Novocaine Town	200
73	Joe Singh	Melton United	199
74	Nathan Scully	Nat's Lads	199
75	Joe Singh	The Proms 2000	199
76	Nicholas Langford	These Eat Beans	199
77	Mike Martin	Inconsequential	199
78	Brian Hightdale	Relegation Certs	199
79	Richard Haggerty	Transmirk	199
80	Malcolm McFarlane	Melton	199
81	Phil Tisdale	Peter 7	199
82	Tan Gardner	Heart Of Glass	199
83	Joe Singh	Saturday Sunday	199
84	Joe Singh	Team Two Bikes	199
85	Ed Wicks	Wicked2	199
86	Joe Singh	One Paul Byrne	198
87	Joe Singh	George F C	198
88	Joe Singh	Sheep Free Zone	198
89	Trevor Denton	Chester 1	198
90	Graham Jones	Explosive	198
91	Richard Low	Good United	198
92	Joe Singh	Samson's	198
93	Joe Singh	Samson's	198
94	Joe Singh	Samson's	198
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99	Joe Singh	Samson's	198
100	Joe Singh	Samson's	198

Plus nine others on 197 points

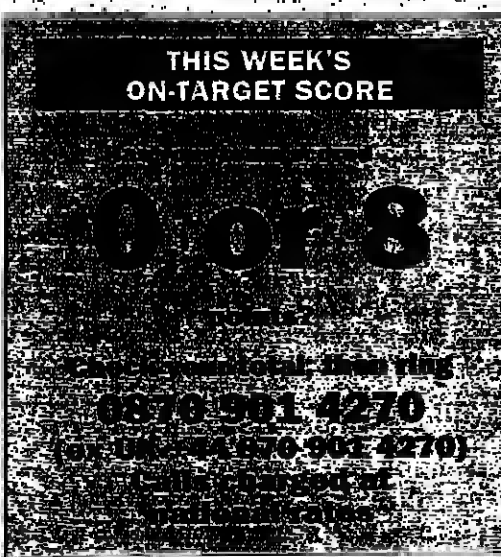
What do you mean your team is hopeless? You can win £500

Enter a new team now for ON-Target, where this week your team need not score any points at all in order to win the weekly prize

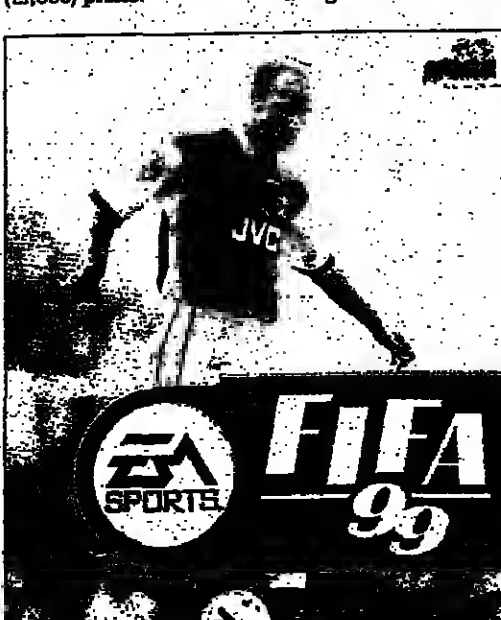
Congratulations to Martyn Robinson, the third weekly main winner of ON-Target, who finds himself £500 richer and possessor of an EA Sports Pack. Fourteen other managers have also won themselves New Year prizes.

Even if you do not have a Fantasy League team, you can enter this new game now — or enter a new one simply for ON-Target. All managers have the chance to win a share of £28,000 of new prizes. The Times has teamed up with EA Sports to offer you the chance to win the renowned FIFA 99 game. Every week you have the chance to win:

■ 1st Prize: £500 plus an EA Sports Pack
■ 4 runners up: EA Sports Packs
■ 10 additional runners up: FIFA 99 CD-Rom.
Each EA Sports Pack contains: FIFA 99 for the PlayStation; FIFA 99 for the PC; EA Sports T-Shirt, keyring and mini football plus a record bag.
F YOU already have a team in the main game, then you're ready to play ON-Target. Simply check our Fantasy League players' score each week and see if their total is the same as our ON-Target score shown here each Tuesday. You have scored the exact target points, a quick call to our ON-Target winners' line (national rate call) will get you in the draw to win one of the 15 prizes.
If your ON-Target score may be high or low. There could be more than one score each week. So it's worth checking your performance every week.
To have your PIN number handy to call the winners line on:



If you don't have a team, or want to sign up another one, enter now by filling in the entry form. There are no limits to how many teams you enter. Not only could you win the ON-Target prize, but you could win the main game weekly (£500) or monthly (£1,000) prizes.



HOW TO ENTER: Look up your players' weekly point scores opposite and add them up, or call the checkline 0640 625 102. If your total score for this week matches the ON-Target number(s), then call our claim line on 0640 625 102 (calls charged at national rate).

should last about a minute). Claims must be made before midnight on Sunday night. The lines then close until the next game starts on Tuesday morning.
If you have scored the correct number of points AND called the claim line, you go into the draw. Just look in the paper on the following Tuesday to see if you have won.
Managers with the correct points who have not called the claim line will not be entered. Calls that are incomplete, inaudible or invalid will not be entered. All teams in the draw must conform to the main game rules.

Last week's teaser asked you to find the connection between the four players' pictures using your body of footballing knowledge. The players were Carlton Palmer, Robbie Mustoe, Marcus Hedman and Ian Harte. Spelling aside, the bodily parts become apparent.

This week try and find the connection between the quartet pictured. Answers on this page next week.

Two weeks ago our Christmas quiz asked you to discover the seasonal connection between four players. Answers and prize details are mentioned in the article above.

Are you carrying crocks in your team?

A WEEKEND off in the FA Carling Premiership because of the FA Cup third round gives managers in The Times Fantasy League time to reflect on what might have been, and indeed, what could still be.
In an ideal world, the arrival of the new year would give your side a new lease of life — your goal-starved striker hits the mark with regularity, and your crocked midfielder eventually comes off the treatment table and makes a dream comeback with a goal and an assist. Unfortunately we do not live in an ideal world, which is why we have to rely on Fantasy League's own Fairy Godmother, the transfer market, in order to grant your wishes for the rest of the season.
In the winter months, it is

quite often difficult fielding a side of 11 fully-fit players every week. It is a time when injuries and suspensions take their toll and much angst is caused by hearing those dreaded words — "out for the season".
In the last month, the Leeds United defenders Martin Hiden and Robert Molenaar have been ruled out for the remainder of the season with

cruciate ligament injuries. In such circumstances, there is no point in feeling sorry for yourself for a couple of weeks. Now is the time for action and there's no reason to hang about — the sooner your transfer request is handed in, the sooner your side will be up and running again.
For instance, if you are amongst the unlucky managers who own Hiden or Molenaar, then by buying a direct replacement in the Leeds central defence such as Woodgate, not only have you increased the points scoring potential of your side, but you have also pocketed a handy £200,000 profit which could be used to strengthen another area of your side.
Many managers will be anxious to hear the result of

Gustavo Poyet's knee scan. Poyet has been in devastating form this season, scoring 25 points in 12 games, and managers will be extremely keen not to lose his services for a long period.
Managers who kept faith with Steve McManaman during his two months out through injury have not been repaid as he lasted just 40 minutes before he broke down again and requires at least another week on the sidelines.
Therefore, if you have heard news that one of your players has more than a niggle, then it may be wise to act fast in the hope of finding a replacement who can add to your points tally. After all, you can always buy the original model back again if really necessary.

MATT SIMS

CHECK YOUR SCORES
TELEPHONE 0640 62 51 02

YOUTH LEAGUE TOP 10

1	Robert Anderson	Robert's Rovers	216
2	Stuart Butler	Spionthavilla	210
3	Graham Jones	Gagp	198
4	Richard Low	Good United	198
5	Matthew O'Neil	The M Team	197
6	Richard Burton	No Fear	196
7	Nicholas Fenney	Fillessieurs	196
8	Dominic McDonnell	Birchall Bullets	196
9	Paul Williams	Where Was Gazza	195
10	David Switbenbank	Titus All Stars	194



Julian Joachim, who features in the Tom's Tiddlers team

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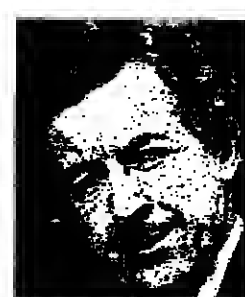
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BUSINESS EDITOR Patience Wheatcroft

TUESDAY JANUARY 5 1999

ICI falls 6% after US puts block on Tioxide disposal

By CARL MORTIMER
INTERNATIONAL
BUSINESS EDITOR

SHARES in Britain's largest quoted chemical company plunged yesterday after US regulators blocked the sale of ICI's Tioxide business to DuPont and NL Industries. Concern that the group's £5 billion disposal programme would be further delayed caused ICI shares to shed 6 per cent, reducing the chemical company's market value by £200 million. Standard & Poor's, the debt-rating agency, yesterday revised ICI's outlook from stable to negative, warning that the group's ability to "divest quickly and reduce its £4.4 billion debt was uncertain."

ICI had been forced to scrap a planned sale of Tioxide, a pigments business, because of concerns by Washington's Federal Trade Commission that the buyers would secure excessive market power. Tioxide makes titanium dioxide, a whitener used in paint. DuPont would have secured some 33 per cent of the world market and an important share in imports to the US.

Charles Miller Smith, ICI's chief executive, said that the company would look at all the options for Tioxide, including a trade sale and break-up of the company but he indicated that a trade sale was now a preferred option. He said: "An IPO is a good front-runner." He also indicated that financial buyers, such as leveraged buy-out funds, might be attracted by Tioxide's cashflow.

City analysts were less enthused by the flotation plans. Robyn Coombs, of Merrill Lynch, said that a public offer would be difficult as titanium dioxide had recently risen strongly in price, offering less recovery potential for investors.

The company insisted that the earnings impact of not achieving the planned sales would be neutral and predicted that pre-tax profits would exceed £345 million in 1998 and confirmed that it would pay an unchanged full-year dividend of 32p per share. The £120 million pre-tax restructuring charge will wipe out much of the £120-million post-tax gain from the sale of Teesside Utilities and Services but will pay back £70 million in a full year.

ICI is cutting 10 per cent of the workforce in its US paints business where margins have been damaged in a recent price war.

Times, page 26

European shares surge as single currency gains value

By SAIED SHAH,
PAUL DURMAN AND
RICHARD MILES

EUROPEAN stock markets celebrated the smooth introduction of the euro with a euphoric surge, as investors rushed to buy into Europe's biggest companies. London, however, was left out of the euro-land party.

The benchmark Dow Jones Euro-STOXX 50 index of 50 eurozone blue chips jumped 6 per cent but, in contrast, London's FTSE 100 index of leading British shares closed 3.2 points lower at 5,879.4.

David Bowers, a European equity strategist at Merrill Lynch, said: "The ins have had a better day than the outs."

The euro appreciated modestly as many had expected, hitting early highs above \$1.19, compared with the \$1.16875 level at which its precursor, the European currency unit, ended life on Thursday. However, by afternoon trading, the euro had eased back to \$1.1790.

The pound ended a volatile

By RICHARD MILES
BANKING CORRESPONDENT

NATWEST yesterday mounted a brave, but apparently doomed, defence of the pound by refusing to put the euro first when quoting conversion rates for the single currency in the wholesale markets.

While virtually every other big City institution accepted the euro as the fixed element in the conversion formula — no doubt reflecting its likely displacement of sterling as

day of trading at just above 71 pence to the euro. During the day, it moved in a wide range of more than 3 per cent against the single currency, hitting a high of 70 pence and a low of 72.45 pence to the euro. Its trade-weighted index fell to 99.9 from 99.7.

Nick Holby, an equity trader at Warburg Dillon Read, said that the first day of dealing in the euro had been "spectacularly uneventful" and that volume was thin for most of the day.

The most dramatic action was on Europe's bourses. In Frankfurt, the blue chip Xetra DAX index jumped by 5.7 per cent with telecom stocks leading the charge. Deutsche Tele-

one of the world's reserve currencies — NatWest clung determinedly to pounds and pence.

Alas, NatWest is having to rethink its patriotic stance in the light of the market practice of quoting 71p to the euro, rather than 1.4 euros to the pound. Anneke Van Woudenberg, who has led the conversion programme for NatWest's capital markets division, said the bank may change its policy of putting the pound first for the sake of clarity in the market. "You

have to remember this is a unique situation," she said. "There is no one body which states how the conversion should be expressed. We have adopted a flexible approach."

Ms Van Woudenberg added that it would be determined during the course of the first trading day whether it was more appropriate to put the euro first in the wholesale markets.

Which currency should go first had been the subject of some heated debate in the industry during the run-up to

conversion. While it had proved impossible to come to a unanimous view, the consensus was for the euro first, according to Margaret Soden, senior manager of the EMU programme at HSBC.

One consequence of relegating sterling to second place is that the pound will disappear from City screens as conversion rates are expressed in pence. "Traders are already getting used to thinking of 70p or 71p to the euro," said Ms Soden.

chip Mib30 index of 6.44 per cent. This was the second-biggest one-day rally since Milan introduced its electronic trading system at the start of 1994.

Mr Bowers, of Merrill Lynch, expressed surprise at the magnitude of the rallies, saying that some European markets had looked quite expensive. He attributed the

surge of buying interest partly to pent-up demand. "A lot of people were told to refrain from dealing in the run-up to the conversion weekend. This was the first chance for the liquidity to get into the market," he said.

He added that the introduction of the euro highlighted the extent to which European assets were "under-owned" relative to the importance of European economies.

Eric Chaney, head of European economic research at Morgan Stanley, said that it was unusual for European equities, currencies and bonds to move up in tandem.

He said: "I would have thought today [that] Germans bought French equities, Italians bought French bonds, and so on. The euro makes cross-border investment easier and there is no currency risk."

Mr Chaney said that, although the strength of yesterday's rally could not be sustained, the outlook for European equities in the first half of this year was positive.

Some voices were more sceptical. George Magnus, chief economist at Warburg Dillon Read, said that the strength of the euro was not intrinsic but reflected the weakness of the dollar. Commenting on European stock markets, Richard Jeffrey, chief economist at the Charterhouse Group, said that the strength of the French and German markets did not look warranted by the economic background. "It's the mood of the day," he said.

"Only history will tell us whether the introduction of the euro deserves to be treated as it has been by the French and German markets. I'm deeply suspicious," he added.

On Wall Street, the Dow Jones industrial average was quoted about 70 points higher at mid-session.

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BUSINESS TODAY

STOCK MARKET

FTSE 100	5879.4	(-3.2)
Yield	2.7%	
FTSE All Share	2673.18	(-0.74)
Nikkei	13415.89	(-28.28)
Dow Jones	9328.94	(+15.21)
S&P Composite	1245.88	(+16.85)

US RATE

Federal Funds	5.5%	(4.5)
Long bond	101%	(101%)
Yield	5.16%	(5.12%)

LONDON MONEY

3-month interest	6%	(6.74)
Life long rate	119.64	(119.08)

STERLING

New York	1.6994	(1.6907)
London	1.6801	(1.6838)
Frankfurt	1.4558	(1.4558)
Paris	1.1712	(1.1712)
Yen	105.98	(107.67)
Index	99.8	(99.7)

US \$ DOLLAR

London	1.1815	(1.1815)
Frankfurt	1.3653	(1.3715)
Paris	1.1245	(1.1245)
Yen	105.5	(104.8)

Tokyo close Yen 113.87

MORTGAGE OIL

Brent 15 day (Mar)	\$11.10	(4.4)
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GOLD

London close	\$286.95	(\$287.25)
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* denotes midday trading prices

Mobile phones

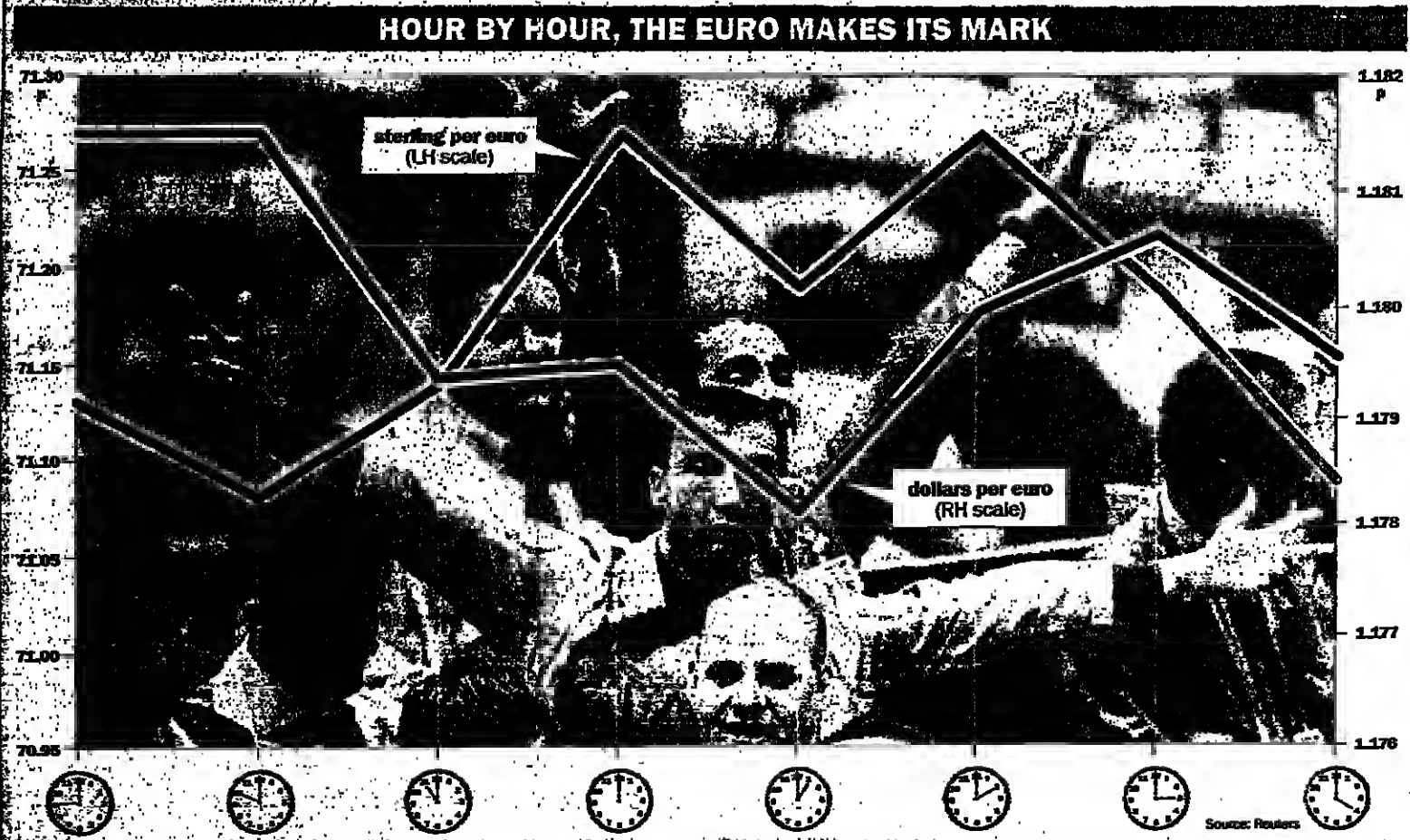
well connected

SHARES in telecom companies soared yesterday after Britain's four mobile phone operators revealed that between them they had added 2.5 million new customers in the three months running up to the end of the year.

Vodafone, the market leader, added 933,000 customers in the quarter, more than the whole industry together added in the third quarter of 1998.

The Christmas push of so-called "pre-pay" packages were mainly responsible for the massive growth.

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MPC rate-setters get mixed picture

By JANET BUSH, ECONOMICS EDITOR

MANUFACTURING activity fell sharply again in December, but evidence that the recent fall in exports has begun to ease provided an ambiguous backdrop to this week's meeting of the Bank of England Monetary Policy Committee.

The Chartered Institute of Purchasing and Supply said that total manufacturing fell for the ninth consecutive month and that the decline was the third-largest in a month since the survey was begun seven years ago. However, the institute's export or-

ders index improved from 38.9 in November to 42.2 in December, signalling a slowing in the pace of decline that purchasing managers attributed to the depreciation of sterling. The pace of redundancies in manufacturing also slowed last month.

The institute's prices index fell to a new low of 35.1, from 35.2 in November, underlining current disinflation at home and abroad.

The City is divided on whether the MPC will once again cut interest rates at its meeting, which starts tomorrow and

ends on Thursday. A poll of 19 economists by Reuters conducted after the last monetary policy meeting in December found that seven expected rates to be cut again, with 11 predicting that the next move would be in February or March and one "don't know".

Supporting the view that the MPC will stay its hand on rates were figures yesterday showing that the consumer's appetite to borrow remains robust. Borrowing on credit cards rose by a record £589 million in November, the biggest monthly rise since the Bank of

England started publishing this series in 1993.

Overall consumer credit rose by £1.3 billion, just exceeding the £1.2 billion rise reported in October. The figures seemed to confirm data showing stronger than expected shop sales in the run-up to Christmas.

Coinciding with yesterday's British purchasing managers' survey were similar reports from America, Germany and Italy, which were uniformly weak in the face of fragile world demand. In America the National Association of Pur-

chasing Management said that manufacturing slowed in December for the seventh month in a row. The association's monthly index of business activity fell to its lowest level since May 1991, contrary to Wall Street forecasts of a small rise.

In Germany the Purchasing Managers' Index showed the largest drop in output and the lowest level of output since the survey began in April 1996. It was the third monthly decline in a row. In Italy purchasing managers reported a drop in export orders for the sixth consecutive month.

Analysts said Bell Atlantic and AirTouch were particularly well matched because they used the same mobile phone technology.

The combination of their networks should be far easier than some of the other recent telecoms mergers. AT&T's \$32 billion acquisition of TCI, in particular, is said to have resulted in extra infrastructure

costs of up to \$5 billion. The accelerating wave of consolidation in the American telecoms sector stands in marked contrast to the European market, which has seen the creation of countless private operators competing with former state monopolists such as BT and Deutsche Telekom.

While Europe is increasing competition to bring down prices, the US is seeing a growing limitation of consumer choice in a bid to create economies of scale.

US phone company merger delayed

FROM OLIVER AUGUST IN NEW YORK

BELL ATLANTIC and AirTouch Communications, the US phone companies, yesterday delayed an announcement of their \$45 billion (£27 billion) merger, but are still expected to agree to a deal this week.

The two local service providers were forced to admit being in talks after their shares surged on speculation that the boards of both companies met on Sunday but failed to approve the merger documents.

Accounting issues are said to have prevented a launch of

the merger before markets opened for the year's first week of trading. Executives of Bell Atlantic are worried about goodwill charges that they fear could hold back profits for years to come.

The prospect of starting 1999 with another mega-merger has provoked new year celebrations on Wall Street. After last year's biggest mergers in the space of 12 months, analysts had predicted a calming of activity.

Bell Atlantic is no stranger to Wall Street's merger departments. In one of the first telecoms mega-mergers, Bell Atlantic absorbed Nynex and last year agreed to take over GTE, another phone and Internet company. The GTE deal has yet to be completed, making the AirTouch deal all the more ambitious.

The driving force behind Bell Atlantic's buying spree is a move to offer integrated services to US customers, both geographically and across prod-

uct segments. One analyst said: "The highest margins are to be had when you carry traffic from beginning to end on your own network."

The main benefit to Bell Atlantic of the merger with AirTouch will be a combination of mobile phone services. Bell Atlantic is a dominant mobile phone operator on the East Coast while AirTouch is strongest on the West Coast.

Both compete with AT&T, which recently acquired TCI, a cable company. Regulators

forced TCI to divest its mobile phone interests. Similar restrictions may be placed on Bell-AirTouch.

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PowerGen buys plants for £95m

PowerGen boosted its stocks of environmentally friendly generation yesterday with the £94.9 million purchase of Yorkshire Electricity's combined heat and power (CHP) plants.

The power plants, which supply large businesses and public buildings, produce more power for less fuel and operate on a smaller scale than other forms of electricity generation. They are the only type, so far, to escape the Government's moratorium on new gas-fired power stations.

The four CHP plants from Yorkshire will be added to PowerGen's existing stock of five such plants and will, the generator said, mark its commitment to expanding in environmentally friendly power.

GKN in US deal
GKN, the engineer, is following up last month's purchase of the Interlake Corporation with a further US deal that will see it take full control of one of Interlake's investments. It has negotiated the right to pay \$65 million (£39 million) for the 20 per cent of Hoegaarden, a powdered metal supplier, that Interlake does not own. It will be able to take possession of the stake, currently owned by Höganäs, a separate Swedish company, a year after the Interlake deal is completed.

C&W acquisition
Cable & Wireless, the telecoms company, has acquired ECRC Network Services, a German Internet service provider (ISP), from ICL for £27.5 million. The purchase is the first since the resignation of Dick Brown as chief executive of C&W. ECRC, which specialises in the German corporate market, is one of the country's top five ISPs.

House price fall
House prices in the UK fell by 0.1 per cent in December, according to the monthly Halifax house price index. This compares with a fall of 0.7 per cent in November. The average price paid for a house in the UK in December was £73,124. Halifax expects annual house price increases to slow to 4 per cent over 1999 from 6 per cent in 1998.

TOURIST RATES

	Bank	Bank
	Buy	Sell
Australia \$	2.17	2.20
Austria S	20.57	18.71
Belgium F	59.55	54.99
Canada C	2.44	2.42
Cyprus Cyp £	0.8619	0.7904
Denmark Kr	13.07	10.48
Egypt £	10.18	12.24
Finland Mk	8.92	8.17
France F	6.70	6.92
Germany Dr	2.318	2.674
Greece Dr	4.98	4.47
Hong Kong \$	13.53	12.46
India Ru	127	107
Indonesia Rp	17040	12040
Italy Lit	1.5140	1.0754
Japan Yen	120	105
Malta M	2.02	1.85
Malta M	0.696	0.699
Netherlands Gld	3.292	2.997
New Zealand \$	1.77	1.63
Norway Kr	13.01	12.07
Portugal Esc	204.64	272.61
S Africa R	10.40	9.45
Spain Ptas	245.60	226.61
Sweden Kr	14.33	13.00
Switzerland F	2.20	2.02
Taiwan N	54.951	50.938
USA \$	1.785	1.623

Rates for small denomination banknotes only as supplied by Barclays Bank. Different rates apply to travellers' cheques. Rates as at close of trading yesterday.

Mobile phone shares lifted by leap in sales

By CHRIS AYRES

AN ESTIMATED 2.5 million mobile phones were sold in the run-up to Christmas, three and half times more than in the same period in 1997, figures out yesterday revealed.

The numbers amazed industry analysts and set off a share-buying spree that put billions of pounds on the value of the mobile phone companies.

Analysts are now predicting that a further five million consumers will buy mobile phones in 1999, and that 39 per cent of Britain's adult population will be connected by 2000. The vast majority of new connections in last quarter of 1998 were for pre-pay services, which let people buy mobile phone handsets for about £70, and pay for calls with vouchers instead of receiving bills.

The industry also benefited from pre-pay phones being sold by chains such as Tesco and Boots as well as by its usual retail outlets.

Vodafone, the industry leader, yesterday saw its market

value rise by £2.25 billion to £32 billion after reporting nearly a million connections in the fourth quarter. Orange saw its value rise by £1.1 billion to £9.5 billion. Shares in Cable & Wireless, part-owner of One2One, also rose, as did shares in British Telecom and Securicor, which jointly own Cellnet.

Alan Lyons, an analyst with ABN Amro, said: "The growth is phenomenal. For the fourth quarter of 1998 Vodafone added more subscribers than the entire mobile phone industry added in the third quarter of the same year. The market is heading for saturation at a much faster rate than anyone thought possible. The only question mark is over the quality of growth being achieved."

Cable & Wireless Communication yesterday said that it has won a five-year, £100 million contract to supply network capacity to Vodafone.

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NEW CUSTOMERS FOR THE MOBILE PHONE COMPANIES				
Net number (ie, taking into account customers leaving the services of British customers acquired by mobile phone companies)				
	Quarter 4 1998	Quarter 3 1998	Quarter 4 1997	Qtr 4 1998
Vodafone	933,000	243,000	287	Circa 4.9m
Cellnet	658,000	149,000	341	Circa 4m
Orange	512,000	130,000	26	Circa 2.2m
One2One	459,000	206,000	113	Circa 1.9m
Total new UK mobile phone customers	2.5 million	728,000	244	



Chris Gent, head of Vodafone, whose shares leapt yesterday

Euro hurts Japan and Hong Kong

By SAIED SHAH

THE debut of the euro drove down Asia's two biggest stock markets yesterday, with shares dropping 3 per cent in Tokyo and more than 2 per cent in Hong Kong.

While the euro appreciated against the dollar on its first day of trading, the yen also

made ground against the greenback, which, according to brokers, hastened a slide in Tokyo stocks on fears that Japanese exports would become more expensive.

Tokyo's benchmark Nikkei 225 average shed 426.28 points to close at 13,415.89, its lowest closing level since October 16.

Nick Parsons, chief current-

cy strategist at Paribas in London, said: "The yen was caught between euro strength and dollar weakness. Despite the new currency, it was a normal volatile day's trading for the yen."

The dollar dropped to near a three-month low in Asia at 112.79 yen, from 113.65 in New York last Thursday, be-

fore climbing back to around 113.60 by late afternoon.

Among leading stocks Sony lost ¥180 to close at ¥8050 (£44), Toyota fell ¥115 to ¥2955 and Honda retreated ¥130 to ¥3580.

The losses in Tokyo dragged Hong Kong down with it. The Hang Seng index fell 2.38 per cent to finish at 9,809.17.

More listed firms go private

By ROBERT LEA

THE NUMBER of stock market companies taken into private hands leapt last year, and many more public-to-private transactions are in prospect this year.

Institutional antipathy to small companies and a boom in venture capital funds are seen as reasons for the trend.

According to figures in a Close Brothers Corporate Finance report, 25 quoted companies, with a total value of £2.7 billion, were taken private in 1998 against only eight, together worth £550 million, in 1997. In 1996, only two listed companies went private.

Last year's boom in such transactions — including the £935 million acquisition of Thorn by Nomura and the £850 million acquisition of Willis Corroon by Kohlberg Kravis Roberts — is no flash in the pan, Close says. It believes that such transactions will at least double to 50 this year.

John Llewellyn Lloyd, chief executive of Close's corporate finance team, expects the trend to continue strongly, not least because of a growing bias in the City against small companies. Eighteen of last year's 25 deals were for less than £50 million.

"Smaller companies have unquestionably fallen victim to institutional 'sizeism', whereby, irrespective of their quality, their share ratings are being depressed by the mere fact that they are small," Mr Llewellyn Lloyd said. "We believe being taken private will prove increasingly popular to a certain type of company as a buoyant private equity market is now providing smaller companies with the capital required to build their business far more readily and efficiently than the stock market is currently doing."

Close says: "Fund managers are increasingly eager to find exits from smaller company investments and in the future we are likely to see a more active role being played by fund managers in catalysing such exits."

B&B ready to counter conversion campaign

CHRISTOPHER RODRIGUES, chief executive of Bradford & Bingley, will today detail how he intends to combat the pro-conversion campaign of Stephen Major, one of its customers (Anne Ashworth writes).

It is possible that the building society, which wishes to retain its mutual status, may temporarily close its doors to new savers to thwart carping-baggers hoping for a windfall. Mr Major, who describes himself as a "quantity surveyor or currently working as a plumber" is seeking election to the Bradford & Bingley board. He has put forward a resolution under which Bradford &

Bingley would become a bank, distributing payouts to its 2.5 million members. After checks to ensure the validity of the resolution, it seems likely to be put to the vote at the annual meeting in April. If the resolution is passed, then a formal conversion vote would follow. Observers say that Bradford & Bingley is sufficiently large to become a bank without first merging with another society. There has been an increase in account openings at the society, as the minimum necessary to qualify for any conversion payout is a relatively low £500.

Commentary, page 25

Standard Life to create 300 jobs

STANDARD LIFE BANK said yesterday that it is to create 300 jobs after its phone-lines were swamped by callers interested in its first mortgage offering (Richard Miles writes).

The banking arm of Europe's largest mutual life insurer said it had received more than 2,500 calls and £30 million worth of applications after opening for mortgage business at 8am. The bank has attracted £2 billion in deposits from 170,000 savers since it was established 18 months ago.

Whistle-blowing on rogue directors rises

THE Department of Trade and Industry is getting a 100 calls a month from whistle-blowers informing on rogue directors and undischarged bankrupts who are continuing to illegally act as company executives.

The DTI's Insolvency Service said yesterday that the number of allegations concerning banned directors defying court orders had risen by 40 per cent to 1,200 last year. Complaints have led to more than 100 cases where Insolvency Service investigators are looking at having to reappoint miscreant directors. The news came as the

number of director disqualifications in the third quarter of 1998 rose by a third to 347. About 2,500 directors have been disqualified by the courts in the past two years.

Kim Howells, the Consumer Affairs Minister, said the number of calls to the Delinquent Directors Hotline showed that the Government's ban on "rogues and cheats" was supported not only by the public but also by the business community who wanted to see the privilege of limited liability removed from those who used company failure as a vehicle for personal gain.

Firms stay quiet on millennium bug

MANY companies are evading responsibility for any millennium bug disasters by keeping quiet about its potential effects on their business, claims a report by the Consumers' Association. A researcher wrote to 74 companies, posing as a worried customer wanting information about contingency plans and customers' legal rights should things go wrong. Only 52 responded, and not one gave information about consumers' rights in the event of a problem, or details on how to complain.

The report found that many companies used "gobbledygook" such as "leveraged internal applications experts" and concluded that much of the information in replies was "so vague as to be unusable". This may be the intention as companies hope to avoid creating a liability in law. Adam Taylor, a partner at Withers Solicitors, said: "A casual answer to a customer questionnaire could make an unwelcome reappearance in court resulting in legal liability where none existed before."

Finnish minister quits

FINLAND'S Communications Minister resigned yesterday over a scandal surrounding last year's £850 million flotation of a 20 per cent stake in Sonera, the country's flagship telecoms operator. Matti Aura stood down just one hour after the Sonera board dismissed Pekka Vennamo, the chief executive, for his dealings in Sonera shares. Mr Vennamo received more than 46,000 Sonera shares on flotation. By contrast, members of the public were allowed to buy just 820 shares each. The shares have nearly doubled in value.

PwC income up 20%

PRICEWATERHOUSECOOPERS, the world's largest accounting and consulting group, reported a 20 per cent jump in fee income last year. Reporting consolidated figures out of last summer's merger of Coopers & Lybrand and Price Waterhouse, the firm said income in the year to June 30 came in at \$15.3 billion (£9.2 billion). The growth was fired by a 41 per cent increase in management consulting fees. This compared with an 18 per cent rise in tax income and 10 per cent growth in audit and business advisory services.

Polypipe expands

POLYPIPE, a plastic products maker, has bought Pagette Sanitar Produktions-Vertriebs, a maker of toilet seats and plastic drains based in Bottrop, western Germany, for £9 million in cash. Polypipe will pay £6 million initially and a further £3 million dependent on the achievement of agreed operating profits for 1999 and 2000. For the year ending December 31, 1998, Pagette's operating profit was £50,000 on sales of £11.3 million. It has net assets of £300,000. Pagette will become part of Polypipe's bathroom and kitchen products division but will trade under the Pagette name.

Northern Rock disposal

NORTHERN ROCK, the bank, has sold its financial services business to the management for a nominal £1. The bank will continue to receive commission from the independent advisory firm, now called Versieck Lister & Co, for the next ten years in respect of previously written business. The disposal is in line with Northern Rock's strategy of concentrating on mortgages and savings and will have a minimal impact on income, the bank said yesterday. Northern Rock Financial Services is a three-man operation led by Roger Versieck.

Polish buy for Kalon

KALON GROUP, the paint and building materials company, is to acquire up to 60 per cent of Polifarb Cieszyn Wroclaw, the Polish paints company, for a maximum consideration of £49.2 million. Polifarb, which was created through the merger of two rival paint manufacturers two years ago, is listed on the Warsaw stock exchange and earned pre-tax profits of £10.6 million on turnover of £96.5 million in the year to December 31, 1997. Kalon shares were unchanged at 874p yesterday.

Berisford acquisition

BERISFORD, the manufacturer of commercial food service equipment and owner of Magnet kitchen stores, has acquired Convothorn Elektrogerate, a German ovenmaker, for up to £13 million. The price is dependent on the results of the company's results for 1998. Convothorn produces "combi-ovens", which combine convection and steam heating, and in 1997 reported an operating profit of DM3.6 million (£1.3 million) on a turnover of DM41 million. Berisford said that it expects the acquisition to be immediately earnings enhancing.

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			Farnborough	Manchester Airport	Southampton
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TERMS & CONDITIONS: Prices shown are per room based on one night stay, single or double occupancy, fully inclusive of tax and service. Offer available at hotel between 14 December 1998 to 28 February 1999 (inclusive) - excluding 31 December. All reservations subject to availability with a limited number of rooms available at these promotional rates. Booking is by credit card or cash. No cash advance. No transfers. No cancellations. No refunds. No room changes. No other offers or special packages. 50% discount represents savings against cash rate. Posthouse Hotels reserves the right to amend this special offer at any time without prior notice. Any discounted or promotional bookings booked after 31st May 1999 will be liable to a non-refundable charge of the first night's tariff. All non-refundable bookings will be released at 7pm on day of arrival. *That part of the Posthouse brand.

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Lopsided birth of a notion



COMMENTARY
by our City Editor

A Milan journalist, seeking views of typical Italians on the advent of the euro yesterday, seemed able to find only people who had been unemployed for decades. One Calabrian, who had officially been out of work for 18 years, realised what was expected. "For people like me with no money to start with," he said, "it makes no difference whether you are talking about lire or euros."

In one sense, he was right. Camparis and cappuccinos still had to be paid for in lire. But prices of euro-denominated shares on the Milan exchange rose by 6.4 per cent in a day. Madrid was close behind, adjusting to a market in which a Portuguese or Finnish share is barely distinguishable from a French or German one, either for investors from the big euroland countries or for those from America.

The latter look responsible for a striking upsurge in telecom stocks all over the Continent. Shares in most national telecom companies jumped by at least 7 per cent and Deutsche Telekom by twice that as the euro underlined the scope for restructuring. In a second sense, however, the stage Calabrian could hardly have been more wrong. On opening day, the euro ended up roughly 0.5 per cent. If matters had been left to Far East traders, the welcome mark-up would have been at least double.

Italians and Spaniards, in particular, have paid a high price in jobs to qualify for the euro. Now they want their reward.

Lower interest rates will help euroland's Latin regions mightily, even if cheaper money is an embarrassment in booming Dublin. But a strong euro, if it is driven up largely by capital flows, would mean fewer jobs in the powerhouse of the Rhine Valley and therefore everywhere else in euroland too.

Only then should we see what the European Central Bank is made of. Will Wim Duisenberg and his band of brothers ignore the exchange rate? If so, they will fall out. Or will they see it as a leading indicator to the virgin unexplored territory of a single euro-land economy?

The City will be sympathetic. Even in well-trodden economic territory, an *Inflation Report* written in November can look daft two months later.

Thus far, oddly enough, London has made a bigger contribution to creating the euro, as opposed to dreaming it up, than any other capital in Europe. If the transition in financial markets proves as smooth as it seemed on day one, it will be a triumph for the Bank of England,

for UK clearing and investment bankers, market administrators, clearing house officers, lawyers, traders and computer experts. That will not stop Frankfurt and others redoubling their efforts to piggyback on London's expertise and steal its business. British job-finders should be as grateful that sterling has shunned the euro as the City must and investors must be alarmed at being left out.

Checking out a change at B&B

Christopher Rodrigues has never come across as a convincing defender of mutualism. After all, the boss of Bradford & Bingley is hardly a life-long servant of the building society movement, having arrived at the B&B from Thos Cook a couple of years ago after the Germans sent him scuttling from the travel agency. However, once

he settled in to the cheerful life of being a borrower and lender in the land of friendly societies he decided this was rather nice. So every time someone goes "Shouldn't the B&B really be a bank?", Rodrigues comes out with the line that the society wants to remain mutual because that is the best way it can serve its members.

The trouble is that advocates of mutualism never put the issue to the test. The argument is that you do not need to verify the status quo so the only time that mutuals ever ask their members whether they want to convert to a plc is when someone starts a campaign to convert.

At Nationwide the conversion champion (or, if you prefer, the king of carpetbaggers) was free-lance bunter Michael Hardern. At the B&B it's Stephen Major, a quantity surveyor-cum-plumber whose home at Lisburn in Northern Ireland is about as far from Bingley as one can imagine without leaving the UK.

At the moment Rodrigues is resisting Major but in the next few weeks he may have to face the reality of a members' vote on the issue. This will place him in a tricky situation. Should he gamble, like Brian Davis at Nationwide, that he can win a vote and remain mutual? After all, Davis succeeded only by a wafer-thin margin and his position would have been untenable had he lost.

Rodrigues is an ambitious man and realises that a demutualised B&B might be well placed to take advantage of the turmoil in the mortgage market. Unlike some of the other societies being targeted for conversion — such as the Portman or the Yorkshire — B&B is large enough to survive and thrive as a public company. It would also be a nice fit with, say, the Woolwich, and Rodrigues could easily end at the top of the merged business.

With some clever footwork, Rodrigues could turn the conversion battle at B&B into a classic

"win-win" situation. He can say he thinks B&B would better serve its customers as a mutual, but he is there to serve their will not impose his. So if they vote to pay off their credit card bills through a conversion windfall, then he will bow to their will, however ill thought out.

In debt, sterling can outlast the lot

Economists keep telling governments to balance their books. For insurance companies and pension funds needing to match future commitments, however, that would be a disaster. They need governments to raise money by issuing safe, "gilt-edged" bonds by virtue of which the insurers can themselves offer guarantees of future value to their policyholders.

Many companies offered guaranteed annuity rates in the 1980s, at rates much higher than those available today. What a pity that they could not or did not choose matching investments to ensure that they could deliver.

Most of those who have bitten the bullet are now trying to quantify the loss and fund it. But they

have found that there is no outstanding government debt on any scale dated long enough in the future to cope with liabilities that may only become due 30 years or more ahead.

So the Treasury's Debt Management Office is being lobbied to issue 30-year stock, with warrants to renew the investment thereafter. Not unreasonably, the DMO is sceptical, reckoning that its job is to do the best for taxpayers, not insurers.

Thinking long might pay because the euro will provide such tough competition for investors' money. The UK could outflank its more short-termist euroland rivals and find new markets by issuing 30-bonds on the US model. The only sensible time to start is when long-term interest rates are historically low. Like now.

Mobile economy

FORGET the recession. The reason why retailers had such a bad Christmas is obvious when you walk down the street, take a train or drink in a pub. It assaults your ears with an incessant ring to the tune of *Ode To Joy* or *Whistling Dixie*. In the past three months, the mobile phone companies have signed up 2.5 million new subscribers. Most of these are on pre-paid deals and many were given phones as Christmas presents, so soaking up millions that might have been spent elsewhere on the high street.

Regal hotel talks may start consolidation

By DOMINIC WALSH

REGAL HOTEL GROUP is in talks to acquire County Hotels, a privately owned rival, in a joint venture deal that could kickstart the long-expected consolidation of the three-star hotel market.

The proposed deal, which is believed to value the 25-strong County chain at about £10 million, comes after the collapse in October of a rivalry by Regal to take itself private with backing from Alcherry, the venture capitalist.

Regal, in common with quoted competitors such as Jarvis, Macdonald and Friendly, has been mooted as a candidate for consolidation after the collapse of share prices in the sector amid fears of a recession. The sector has also seen private groups such as County, Principal Hotels and Menzies

Hotels failing to win support for stock market flotations.

The idea of consolidating the three-star market is one that corporate financiers have been investigating for several months, Paul Dukes, a director of Close Brothers Corporate Finance, said. "These groups have got nowhere to go individually. They haven't got critical mass, or well-known brands, and many don't have a London presence. We think the way forward is to consolidate, weed out the non-core stuff and you've got a decent provincial hotel group."

Regal yesterday said that the proposed acquisition of County would be "through a joint venture company in which Regal and a private equity firm would be shareholders." Any deal would be

made "without recourse to any equity fundraising."

The private equity firm in question is Duke Street Capital, which led County's £91 million buyout from Queens Moat Houses in March 1997. Duke Street speaks for about 90 per cent of County's equity.

Regal is expected to put some cash in the joint venture vehicle, but a source close to the company emphasised that there would be no effect on gearing. Regal is no stranger to joint ventures, its latest being with Holmes Place, the fitness club operator.

Insiders say that a deal with County could be tied up by the end of the month. Negotiations are likely to be made easier by the fact that Charles Holmes, County's chief executive, is a former Regal executive.

County, in which £12 million was invested last year, would eventually be absorbed into Regal's new County brand.

News of the talks comes after the takeover last month of Lyric Hotels — another former flotation candidate — by Friendly. Both Friendly and Principal are also believed to have looked at County.

Edmund Truell, chief executive of Duke Street, admitted that Regal was not the only operator he had spoken to. "We believe that County has got to grow to prosper," he said. "Equally, we do think that some of the mid-sized hotel groups should get together to leverage economies of scale. It wouldn't be surprising if, by the end of the year, you see a completely reshaped mid-market hotel sector."

BP Amoco soars on first day

BP AMOCO shares soared on their first day of trading, increasing the value of the merged oil company to £90 billion (Carl Mortished writes). The 21p gain in the shares to 924p quickly confirmed the benefits of being the top stock in the FTSE 100 index.

The rush to buy BP Amoco was seen as testimony to investor confidence in the cost-cutting strategy of Sir John Browne, chief executive, and has allowed the oil company to beat Glaxo Wellcome and BT to the top slot.

BP Amoco's gargantuan presence is curious, given the weakness of the oil price and the market's fascination with telecoms and drug companies. With BP Amoco and Shell accounting for almost a tenth of the index, the oil sector could end up driving the market.

Delancey builds 8% interest in Greycoat

By CARL MORTISHED

GREYCOAT was besieged by takeover speculation yesterday after a group linked to George Soros and British Land revealed that it had acquired almost 8 per cent of the Central London property developer.

Delancey Estates said that it had bought more than 7 million shares in Greycoat while Delancey's parent, the Soros-backed fund Quantum Realty, had picked up 660,000 in Greycoat stock. Strand Associates, another concert party, owns 150,000 shares in the property company. The total holding amounts to 8.45 million shares or 7.79 per cent of Greycoat.

The stake-building follows news that Wates City of London Properties had acquired 2 per cent of Greycoat and will again raise questions over the company's future.

Delancey, which is run by James Ritblat, son of John Ritblat, chairman of British Land, is believed to have bought the £11.8 million Greycoat stake from UK Active Value, a fund that two years ago attempted to unseat Greycoat's management by supporting a hostile bid approach from Moorfields, another property group.

Quantum Realty recently acquired 66 per cent of Delancey, paying more than £100 million for the interest.

It is Soros's second venture into UK property with the Ritblat family. Five years ago, Quantum invested in a £1 billion joint venture with British Land, only to pull out quickly in 1994.

Tempus, page 26

Tay hits back at investor

THE shareholder trying to effect a boardroom coup at Tay Homes, the northern housebuilder, was yesterday accused of trying to take over the company on the cheap (Robert Lea writes). Richard Tice, joint chief executive of Sunley Group, the private housebuilder, and a 10 per cent shareholder in Tay, has requisitioned an extraordinary meeting of the company at which he and his own management team would replace the current board.

Norman Stubbs, Tay's chairman, ruled out giving in to Tice. In a statement to shareholders, he said: "The board is concerned that Mr Tice and Sunley are attempting to gain control of the company without paying any premium or indeed making any formal offer for the company." Tempus, page 26

Harris's son quits job at Carpetright

By SARAH CUNNINGHAM

THE son of Lord Harris of Peckham has quit as an executive of Carpetright, the company chaired by his father.

Martin Harris, 29, who joined the company in 1991 and was promoted to the board as marketing director in 1996, was viewed as Lord Harris's heir apparent at Carpetright.

John Kitching, managing director, who will take on Mr Harris's board duties said he had left for personal reasons. "It is difficult working under your father, particularly a very strong personality like Phil [Lord Harris]," Mr Kitching said. He emphasised that there had not been any arguments, adding: "They are very, very close."

Mr Harris who owns less than 1 per cent of the company's shares is to stay on the Carpetright board as a non-executive, though he is planning to find work elsewhere. "He wants to go off and do his own thing," a spokesman said.

Carpetright shares closed up 2 1/2p at 226 1/2p.



Father and son: Lord Harris of Peckham, left, and Martin Harris

Goldsmiths' sales lack festive cheer

By SARAH CUNNINGHAM

CHRISTMAS proved to be less than glittering for Goldsmiths, the jewellery retailer, which yesterday reported disappointing trade.

The company, which said before Christmas that it had received a preliminary takeover approach, made no comment on weekend reports that Jurek Flasecki, its chairman and chief executive, had teamed up with Alcherry Partners, the venture capitalists, to offer 18.5p a share for the group.

Analysts said they still expected Mr Flasecki to emerge as the bidder, but said a fair offer would have to be pitched at between 22.5p and 25p. The shares fell from 169p to 154p.

Mr Flasecki said that the only strong period of trading was the actual week of Christmas. The four weeks to January 2 saw like-for-like sales down 2.6 per cent on last year.

Goldsmiths, which has 154 branches, said sales for the four weeks, including new branches, were up 9.8 per cent. Sales for the 48 weeks to January 2 were 3.3 per cent up, like-for-like, and up 13.7 per cent in total.

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STOCK MARKET

MICHAEL CLARK

Investors connect with surging telecoms sector

THE telecoms sector has rung in the new year just as it ended 1998 — on a high note.

Yesterday it was again connecting perfectly with City investors to produce six of the top ten best performing shares among blue chips.

Leading the way higher was Orange, up 96p, or almost 14 per cent, to 794.5p, after adding 512,000 new customers during the final quarter of last year, and taking its total customer base to 2.16 million.

Vodafone had similar good news for shareholders with the price soaring 73p to £10.49 on turnover of 12.72 million shares. It attracted 933,000 new customers during the past quarter — way above even the most optimistic forecast.

Also showing few signs of running out of steam was Colt Telecom, up 56p to 953p. Telwest added 12p to 185p, and Securicor also put on 34p to 538p. It continues to own 40 per cent of Cellnet, which has added an extra 658,000 to its customer base in the past three months. British Telecom, owns the other 60 per cent of Cellnet, and sported a rise of 33p to 939p.

The dilemma facing brokers is whether to recommend the sector. The gains seen, so far, have been so spectacular, that there is an argument that the sector is now fully valued.

The rest of the equity market endured a rollercoaster ride before ending with modest falls. An early mark-up was frittered away as investors became concerned that a strong euro might weaken the pound and prevent a cut in interest rates later this week.

At one stage, the FTSE 100 index fell more than 70 points with not even an opening rise of almost 170 points in the Dow Jones industrial average able to offer comfort. The index eventually closed just 3.2 down at 5,879.4, while the FTSE 250 index also slipped 3.7 to 4,851.0.

Turnover of £839 million was bolstered by heavy trade in the enlarged British Petroleum after its agreed merger with Amoco. Dealers reported heavy demand with 187 million shares changing hands as the price advanced 24p to 124.5p. Brokers such as Merrill Lynch and Salomon Smith Barney have been waxing lyrical about the deal, while Goldman Sachs has been moved to raise its earnings forecast. Lehman



Victor Rice, chief executive of LucasVarity, who saw shares lifted 7p to 207.5p on the back of speculative buying

Brothers also rates the shares its "top pick" in the oil sector. There were plenty of new year share tips doing the rounds including Glaxo Wellcome, up 61p to £21.29, Allied Zurich, 47p dearer at 943.5p, and Raal Electronics, 15p firmer at 348p.

Speculative buying lifted LucasVarity 7p higher to 207.5p on turnover of almost 5 mil-

lion shares. Weekend reports claimed the automotive parts and aerospace group may soon find itself on the receiving end of a bid from US rival TRW Incorporated. In November, LucasVarity failed to transfer the company's domicile to the US after proposals were rejected by shareholders.

Fresh selling led Rank Group nursing a fall of 17p to 214p in a thin market that saw less than 557,163 shares change hands. Brokers said the fall may have been caused by suggestions that an unwanted parcel of shares may be doing the rounds.

Shares of Arcadia, the Top Shop and Burton retailer, slumped to a new low with a fall of 8p to 169p. Credit Suisse First Boston, the broker, is reported to have cut its profit forecast for the year by 17 per cent to £50 million. The group lost face after a shock profits warning towards the end of last year after previously indicating it would hit its targets.

Goldsmiths fell 15p to 154p after reporting that business in its jewellery stores during the four weeks to January 2, had failed to live up to expectations.

Fresh demand for Pilkington, up 34p to 62p, enabled traders to release some spare stock back into the market. Staffware managed to kill off some of the recent speculation in its share price by saying it knew of no reason for the recent rise. The software specialist will be issuing a trading statement before the end of the month. The price retreated 40p to 227.5p.

Two separate sellers totalling 16,140 shares at 17p left Sheffield United nursing a loss of 4p at 19p, making it one of the biggest fallers on the day.

Keep an eye on Syntex Group, up another 9p to 182.5p. Talk of a bid has enabled the motor distributor to climb from a low of 123p since the middle of last month. GILT-EDGED: Bond prices in London were squeezed higher on the back of support for German bunds. But the best levels of the day were not held and shorter-dated issues closed with small losses as investors expressed doubts about the willingness of the MPC to cut rates again when it meets on Thursday.

In the futures pit, the March series of the long gilt put on 56p at £119.64 as a total of 18,000 contracts were completed. Among the conventional issues, Treasury 8 per cent 2021 rose 30p to £154.48, while by contrast, Treasury 7 per cent 2032 retreated 5p to £107.58.

NEW YORK: US shares were sharply higher as merger activity and the launch of the euro encouraged investors. At midday the Dow Jones industrial average was up 145.21 points to 9,326.64.

New York (midday):

Dow Jones 9326.64 (+145.21)

S&P Composite 1245.88 (+18.68)

Tokyo: Nikkei Average 13415.88 (+426.28)

Hong Kong: Hang Seng 9803.17 (+238.41)

Amsterdam: AEX Index 282.6 (+19.2)

Sydney: All Ordinaries 2822.6 (+19.2)

Frankfurt: DAX 5232.26 (+249.97)

Singapore: SSEC 1400.11 (+7.26)

Brussels: CAC-40 3645.94 (+131.43)

Paris: CAC-40 3645.94 (+131.43)

Zurich: SMI 1147.50 (+204.94)

Stocks: SMI 1147.50 (+204.94)

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Caution still needed

TRADING in the euro is only one day old and already analysts are saying the new currency could displace the US dollar as the world's preferred reserve currency. But while predictions in that direction sound premature, it is fair to assume that the euro will continue to strengthen against the dollar in the short term. It also looks likely to strengthen further against sterling, particularly as the eurozone is stouter than Britain economically and because interest rates in this country are on the downward path. In addition, like the new toy at Christmas, the euro is bound to attract attention as the children learn how to play with it.

Assuming the project continues viably and the currency continues to strengthen against the pound, British companies that export to euroland will benefit. It will give an earnings fillip to the likes of Alliance Unicom, Allied

Domeq, British Steel, BBA, BOC, BPB, Compass, GKN, Kingfisher, RMC, and TI Group. A strong euro will act less benignly on euro-land exporters such as LVMH, Unilever NV, Royal Dutch Petroleum and Bayer.

If a strong euro accurately reflects an economically strong eurozone, however, those British companies that stand to benefit from currency advantages may find it harder to compete with European rivals. The extent of the risk in sterling-denominated UK shares also means that shareholders in companies based here could miss out, at least partly, on any merger and acquisition activity.

But the threats posed by failure, as well as unexpected currency movements, mean that investors should not get too carried away with playing euro-forex. Good companies, after all, perform well in almost any environment.

ICI

BURYING ICI's industrial chemical history is proving to be a wearisome task. Just when the company appears to have left one big business behind, it grabs back at the ankle like some ghoul reaching out from the grave.

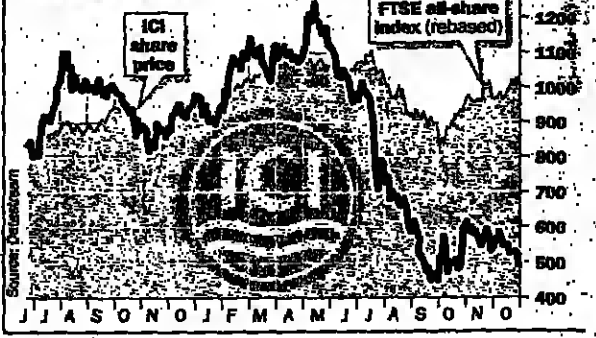
In fairness, ICI is not a bad business, having recently enjoyed buoyant prices and good margins. The irritation is that the ICI's ruling will make it more difficult to sell. With obvious buyers now out of the running, interested parties can also play harder to get and that means less money for ICI to spend reducing its debts. In the circumstances, ICI's attempt yesterday to push the flotation, and looked more like tactics than a realistic plan. Titanium dioxide is moving later into the cycle and ICI needs to demonstrate it has more than one op-

tion, if it is to secure a good price from a potential buyer. Elsewhere, no news is bad news for disposals. In Halo chemicals, ICI is being forced to underwrite a future disposal by paying for redundancies today. Buyers for the Wilton ethylene cracker are still sitting on their hands. After yesterday's drubbing, ICI shares now yield more

than 6 per cent on the promise of a maintained dividend. However, interest cover is below acceptable levels and the payout is certain to be cut when ICI has completed its reconstruction.

The past should, in due course, be buried, but ICI has an awful lot of digging to do. In the meantime, the shares have few attractions.

THE DEBT MOUNTAIN



Greycoat

THE very mention of the name George Soros used to be enough to invigorate enthusiasm for the most bombed out industry or asset class to hysterical levels.

But his touch, observed and admitted by the world's most famous Hungarian, is not as golden as it once was. This return to earth may account for the less than enthusiastic market reaction to news that Mr Soros is seriously interested in Greycoat, the property company operating mostly in Central London.

Mr Soros' interest is channelled through Delancey Estates, John Riblat of British Land, and his son James, are also involved, extending a relatively long-term relationship with Mr Soros.

Shares in Greycoat rose 5p to 177p yesterday. The stock has risen gently since bottoming at 126p in October as speculation about Greycoat's acquisition credentials grew.

But the shares still languish 20 per cent beneath stated net asset value.

There should be more to come from Greycoat so buy. The corporate activity enhances the already decent case suggesting that property is an undervalued asset class. However, investors should be careful not to get left holding overpriced babies if Messrs Soros and Riblat decide to turn their attentions elsewhere.

Tay Homes

OVER the past five years shares in Tay Homes, the northern housebuilder, have fallen from a high of 257p to 107p. In that time it has underperformed the building sector by about 40 per cent and the all-share index by 60 per cent. Its operating profit margins have similarly underperformed the industry norm.

In the circumstances, it is not surprising that an outside management team with the backing of 27 per cent of the

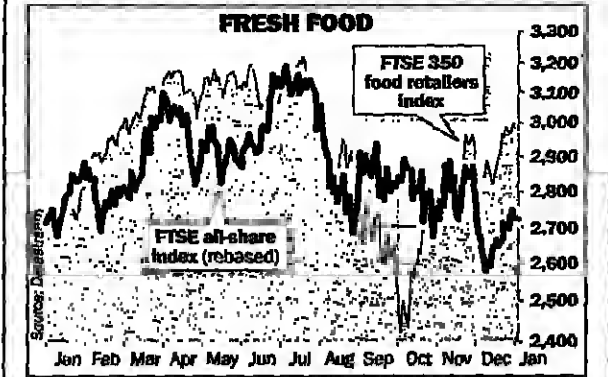
shares is trying to oust the serving board.

The boardroom struggle is a harmful distraction because it means both the incumbents and the pretenders will be occupied battling for control of the company rather than fighting for new business. However, shareholders should be encouraged that two management teams set something worth fighting over.

Both teams talk of seeking mergers with similar-sized companies, which appears to rule out a bid premium benefit from holding the shares. Independent shareholders should demand a premium for change of control, however. There are plenty of other bid candidates among housebuilders and accepting nothing for a change of control would set a dangerous precedent.

The market has not been excited by the corporate action at Tay. But it is action worth getting involved with. Buy.

EDITED BY ROBERT COLE



AT FIRST appearance it seemed as if all-out war had broken out among the big food retailers groups after Asda halved the price of some of its leading grocery lines for a limited period.

Safeway finished the session 22.4p lower at 279.4p. J Sainsbury was off 31.5p at 450.4p, Tesco 9.4p at 162p and Morrison Supermarkets 4p at 275p. Asda, which had initiated the action, managed to consolidate an early 2p rise to finish at 163.4p.

The consumer lobby

would like to see prices come down, while brokers are taking a more practical view.

Paul Smiddy, at Credit Lyonnais, the broker, says that this is one price war that owes more to media hype than hard facts.

There is not a lot around at the moment. This is the right time of the year for creating a 'good story'. It remains upbeat about the sector. "This is not the death of the sector as we know it. Valuations are not demanding," he added.

COMMODITIES

LIFFE

COFFEE

ROBUSTA COFFEE

LIFFE

COFFEE

ROBUSTA COFFEE

LIFFE

COFFEE

ROBUSTA COFFEE

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ROBUSTA COFFEE

LONDON FUTURE

Long Gilt

Short Gilt

Long Gilt

Short Gilt

Long Gilt

Short Gilt

Long Gilt

Short Gilt

Long Gilt

Short Gilt

Long Gilt

Short Gilt

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ECONOMIC VIEW

JANET BUSH



Protests against the single currency suggest a Little Englander mentality to some and to others serve as a check against a growing air of inevitability

The euro school of thought that is inevitably wrong

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At the weekend, the press was full of such stuff. One recurring theme was that British business wants to join the euro and will covertly take Britain's making a referendum of the people a sideshow. The *Sunday Times* reported that "Britain is entering Europe's single currency 'by stealth'. As firms prepare to give workers all or part of their salaries in euros." This, the story related, was designed as a perk for employees who could enjoy European interest rates which are currently half those in Britain.

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role in the communication of government policy to the media," so no change there.

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Holy roller

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Leader, is by Richard Koch, who claims to have invented something called the 80/20 Principle and "taken on" Tony Blair's Third Way.

Like one of those wincingly modern sermons that "relates" the Bible to the modern world — "In those days they didn't have aeroplanes or buses, so they had to ride on a donkey" — Koch links the journey to the Promised Land to the formation of a new company and a corporate culture.

As ever, there is the odd nugget of unintentional humour. "Moses never read *The One Minute Manager*. In a way this was a serious handicap."

MARTIN WALLER



Profit without honour — Moses, by Michelangelo, an unlikely management guru

HSBC 
Midland Bank

Notice to customers

New interest rates for mortgage customers.

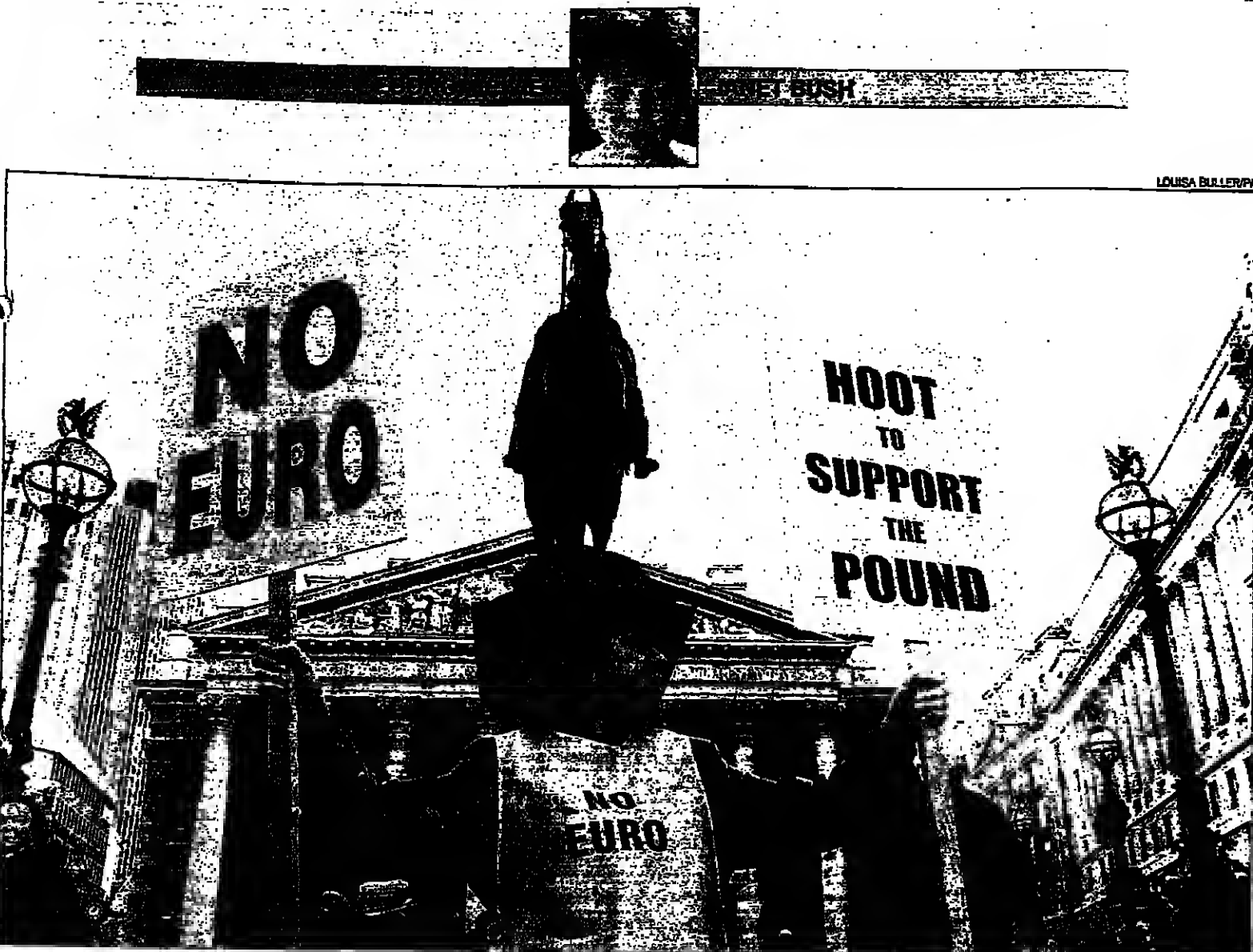
With effect from 4 January 1999 the interest rates for existing mortgage customers are decreased by 0.5% to:

	Old rate % p.a.	New rate % p.a.	APR %
Home Loan Rate	8.20	7.70	7.9
Home Improvement Loan Rate	10.20	9.70	10.0
<small>Loans sanctioned before 26.4.89</small>			
House Mortgage Rate	8.20	7.70	7.9

Mortgage rates for new borrowers were effective from 22 December 1998

Midland Bank plc, 27-32, Postley, London EC2P 2BX

HSBC is the brand of Midland Bank plc



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AFTER Atilla the Hun, Moses is the latest quasi-historical figure to be anointed as management guru. *Moses on Leadership*, subtitled with breathtaking idiosyncrasy *Why Everyone is a*

Leader, is by Richard Koch, who claims to have invented something called the 80/20 Principle and "taken on" Tony Blair's Third Way.

Like one of those wincingly modern sermons that "relates" the Bible to the modern world — "In those days they didn't have aeroplanes or buses, so they had to ride on a donkey" — Koch links the journey to the Promised Land to the formation of a new company and a corporate culture.

As ever, there is the odd nugget of unintentional humour. "Moses never read *The One Minute Manager*. In a way this was a serious handicap."

MARTIN WALLER



Profit without honour — Moses, by Michelangelo, an unlikely management guru

HSBC Midland Bank

Notice to customers

New interest rates for mortgage customers.

With effect from 4 January 1999 the interest rates for existing mortgage customers are decreased by 0.5% to:

	Old rate % p.a.	New rate % p.a.	APR%
Home Loan Rate	8.20	7.70	7.9
Home Improvement Loan Rate	10.20	9.70	10.0
Loans sanctioned before 26.4.89			
House Mortgage Rate	8.20	7.70	7.9

Mortgage rates for new borrowers were effective from 22 December 1998

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HSBC is the brand of Midland Bank plc



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[illegible]

Equities mark time

TRADING PERIOD: Settlement takes place five business days after the day of trade. Changes are calculated on the previous day's close, but adjustments are made when a stock is ex-dividend. Changes, yields and price/earnings ratios are based on middle prices.

1998	Low	High	Open	Close	% Chg	PE
ALCOHOLIC BEVERAGES						
AB InBev	10.50	10.75	10.60	10.65	+0.5	18.5
Carlsberg	1.20	1.25	1.22	1.23	+0.8	15.2
Heineken	1.10	1.15	1.12	1.13	+0.9	14.8
Interbrew	1.00	1.05	1.02	1.03	+1.0	14.5
Orkla	0.90	0.95	0.92	0.93	+1.1	14.2
Reckitt Benckiser	0.80	0.85	0.82	0.83	+1.2	13.9
Stout	0.70	0.75	0.72	0.73	+1.3	13.6
Van Melle	0.60	0.65	0.62	0.63	+1.4	13.3
Wolff	0.50	0.55	0.52	0.53	+1.5	13.0
BANKS						
ABN-Amro	1.50	1.55	1.52	1.53	+0.7	12.5
Bank of America	1.40	1.45	1.42	1.43	+0.8	12.2
Bank of Scotland	1.30	1.35	1.32	1.33	+0.9	11.9
Barclays	1.20	1.25	1.22	1.23	+1.0	11.6
BNP Paribas	1.10	1.15	1.12	1.13	+1.1	11.3
Commerzbank	1.00	1.05	1.02	1.03	+1.2	11.0
Deutsche Bank	0.90	0.95	0.92	0.93	+1.3	10.7
HSBC	0.80	0.85	0.82	0.83	+1.4	10.4
Industriale Bank	0.70	0.75	0.72	0.73	+1.5	10.1
JP Morgan Chase	0.60	0.65	0.62	0.63	+1.6	9.8
BREWERIES, PUBS & REST						
Beck's	1.20	1.25	1.22	1.23	+0.8	15.2
Carlsberg	1.10	1.15	1.12	1.13	+0.9	14.8
Heineken	1.00	1.05	1.02	1.03	+1.0	14.5
Interbrew	0.90	0.95	0.92	0.93	+1.1	14.2
Orkla	0.80	0.85	0.82	0.83	+1.2	13.9
Reckitt Benckiser	0.70	0.75	0.72	0.73	+1.3	13.6
Stout	0.60	0.65	0.62	0.63	+1.4	13.3
Van Melle	0.50	0.55	0.52	0.53	+1.5	13.0
Wolff	0.40	0.45	0.42	0.43	+1.6	12.7
DIVERSIFIED INDUSTRIALS						
ABB	1.50	1.55	1.52	1.53	+0.7	12.5
Alcatel	1.40	1.45	1.42	1.43	+0.8	12.2
Boeing	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
ELECTRICITY						
EDF	1.50	1.55	1.52	1.53	+0.7	12.5
Enel	1.40	1.45	1.42	1.43	+0.8	12.2
Electricity of Scotland	1.30	1.35	1.32	1.33	+0.9	11.9
EnBW	1.20	1.25	1.22	1.23	+1.0	11.6
Enel	1.10	1.15	1.12	1.13	+1.1	11.3
Enel	1.00	1.05	1.02	1.03	+1.2	11.0
Enel	0.90	0.95	0.92	0.93	+1.3	10.7
Enel	0.80	0.85	0.82	0.83	+1.4	10.4
Enel	0.70	0.75	0.72	0.73	+1.5	10.1
Enel	0.60	0.65	0.62	0.63	+1.6	9.8
ELECTRONIC & ELECT						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
ENGINEERING						
ABB	1.50	1.55	1.52	1.53	+0.7	12.5
Alcatel	1.40	1.45	1.42	1.43	+0.8	12.2
Boeing	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
HOUSEHOLD GOODS & TEXT						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
INSURANCE						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
INVESTMENT TRUSTS						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
LEISURE & HOTELS						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
MEDICAL						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
MEDIA						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
MINING						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
MOTOR VEHICLES						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
PHARMACEUTICALS						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
PRINTING & PAPER						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
RETAIL						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores	0.90	0.95	0.92	0.93	+1.3	10.7
Bores	0.80	0.85	0.82	0.83	+1.4	10.4
Bores	0.70	0.75	0.72	0.73	+1.5	10.1
Bores	0.60	0.65	0.62	0.63	+1.6	9.8
TELECOMMUNICATIONS						
ASICS	1.50	1.55	1.52	1.53	+0.7	12.5
Asus	1.40	1.45	1.42	1.43	+0.8	12.2
Benetton	1.30	1.35	1.32	1.33	+0.9	11.9
Boisjoly	1.20	1.25	1.22	1.23	+1.0	11.6
Bombardier	1.10	1.15	1.12	1.13	+1.1	11.3
Bores	1.00	1.05	1.02	1.03	+1.2	11.0
Bores						

New group for small businesses launched

By Rodney Hobson

A RIVAL to existing small business organisations, such as the Federation of Small Businesses, the Forum of Private Business and the Small Business Bureau, has been set up by a management expert.

Jim Barrington, based on Merseyside, says he formed the Association for Small Businesses to offer the commercial benefits that he says he could not find in other small business organisations. However, he wants to build networks with the other bodies for mutual advantage.

Mr Barrington has spent most of his working life in business, including spells with training and enterprise councils and Business Links. He is now managing director of the Barrington Group, a Merseyside management consultancy.

Mr Barrington said that, when he was seeking ways in which small enterprises could be helped, he found that Business Links worked for well-established companies and that existing business bodies concentrated on lobbying, surveys and other services.

"I wanted an organisation that would save me money or help me to find a contract," he said.

He approached large companies and found they wanted to introduce themselves to small businesses and would give good discounts to win their custom. So he set up the association to obtain bargaining power for small businesses. "We act as an introduction agency or a corporate buyer," said Mr Barrington.

Insurance companies discount their policies, Dun & Bradstreet, the business information company, offers a 17 per cent reduction and the Royal Mail has given sponsorship and provides training on the economic use of postal services.

"The other organisations have their own strengths," said Mr Barrington, "so I want to form alliances with them and network through them. I want us all to work together."

The association has a free newsletter and business guide, and is to set up a website to raise awareness.

Mr Barrington used his own money to start the association, but has introduced annual membership fees of £119.99 for small businesses and £349.99 for large companies. Businesses that recruit members receive a percentage of their subscription. Inquiries: 0151-522 0874.

Giftware firm learns to make the most of colleges' talent

Sally Watts views a family enterprise with a methodical approach to growth

Gifts galore, from ceramics and glassware to sweat-shirts and baseball caps, helped to make the Christmas just gone the best so far for Custom Print Merchandise (CPM), a small Welsh family business that began in 2,000 square feet of premises in Cardiff in 1986.

For most of this time, the business has relied just on T-shirts and sweat-shirts, printed in-house. However, in the past four years, drawing on the skills of young graduates, a student and academic departments, it has taken off, expanding both markets and range.

"A company can only grow by extending its product range — retailers prefer this as it's cost-effective," says Paul Dinnick, managing director of CPM, who founded the business with his wife, Mary, now financial controller, and sister, Cynthia, her assistant. "Today we are probably the only company in Britain that is designing, printing and decorating textiles, ceramics and glassware in-house. This is why we targeted exports."

After establishing CPM, Mr Dinnick — whose background is in marketing — decided that it was time to expand and that to do so, he needed to establish three middle-tier roles, including a design studio manager and a market-



Paul Dinnick with T-shirts produced by his CPM giftware business, whose exports have grown rapidly

ing executive "to put flesh on the skeleton".

However, he did not act instantly. Preferring to move forward in a "planned, evenly paced way", he applied to take on graduates, or Associates, through the Teaching Company Directorate (TCD). These, attached to the University of Central England (UCE), worked with the backing of Michael Vernon, head

of textiles, and his department, which he says has benefited hugely from the knowledge and experience gained.

One Associate, Emma Wilson, carried out a business review, set up the nucleus of a marketing strategy, planned a brochure and researched potential export outlets. Another, Paul Mayfield, helped to introduce computer-aided design

and four-colour process separation techniques.

With UCE's help, Mr Dinnick invested £35,000 in a design studio equipped with four Apple Macintosh computers, scanners and printers. He took on a design manager, Barry Barnfield, previously in silk-screen printing, and Julie Worrell, with a publishing background, as marketing executive.

The business is also benefiting from a much newer TCD scheme, College-Business Partnerships, which links companies with colleges of further and higher education. Erwan Stephens, who has an Ordinary National Diploma in engineering and is working on day release for the Higher at Barry College, is replacing CPM's card index system with computerised management information for production planning, delivery dates and rush orders. This will lead to the third key role: production planning manager.

All this is paying off. Turnover has more than doubled to £2.8 million. The size of premises has increased to 20,000 square feet after several moves. Staff have increased from 17 to 50, plus some 30 outworkers sewing and packing. Paul Dinnick's brother, Ralph, has joined CPM as production manager and Paul's son, Martin, who started at the bottom seven years ago, is now sales manager.

Exporting began to grow rapidly in 1998, partly as a result of exhibiting at Birmingham's export fairs. In a separate initiative, CPM won a contract to supply giftshops on a US fleet of cruise ships.

As well as duty-free shops and tourist attractions, the home market includes Liberty, Hamleys, Bhs, and Edinburgh Woollen Mills. Souvenirs will be on sale at the rugby World Cup in Cardiff this year.

Paul Dinnick says: "We're creating our own niche in the market. We're also looking at investors in People, to develop staff skills for meeting the needs of tomorrow."

CPM: 01222 346434

Storey calls for state aid for training at SMEs

By Sally Watts

INSTEAD of believing — as many in Government privately do — that small firms are irrational, even stupid, not to train their workers, Government should stop applying "large firm solutions" to small enterprises and offer their workers direct training opportunities.

David Storey, director of Warwick Business School's centre for SMEs, believes it is just as rational for smaller firms not to train as it is for larger firms to do so: training represents investment for the future, whereas smaller enterprises — with short-term horizons and limited resources — need immediate solutions to immediate problems.

Professor Storey was speaking in Stockholm, where he received an award of \$50,000

(£30,000) for small business research. This is seen as the equivalent of the Nobel Prize for small business and has never before been won by anyone from outside the US.

Individual workers who receive training, he said, are more likely to obtain employment and, once employed, to earn more. This benefits both the workers and the State, but it is not clear that small firms that train more perform better. "It seems reasonable that

they should be compensated for any costs they incur in training their workers."

In a business with an owner and a single manager, Professor Storey suggested that the owner is unlikely to fund the manager's training, as the latter can only gain promotion by changing jobs — at the owner's expense.

Entrepreneurs, he went on, learn by doing, solving actual problems as they occur. "Entrepreneurs and managers in small businesses

appear to learn most effectively in a highly experiential manner. They are unlikely to learn through formal classes and instead require 'bite-sized chunk' answers to real problems which they are currently experiencing."

Professor Storey also urged governments to collate their vast amounts of information, of value to small firms, and to create "information intermediaries" — whether state-subsidised or not, which would draw on data bases to handle questions on tax, legislation and such like. Owners need immediate answers, lacking time to absorb massive detail.

His final recommendation was for a new approach to business failure, such as exists in the US, which regards failure as "a chance event" that provides experience and can lead to success.



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THE GATEWAY TO WORK Private/Voluntary Sector Led Pilots

The Government has announced the piloting of the Single Work Focused Gateway (SWFG) to the benefits system for all working age claimants. A radical DfEE-DSS initiative to help people back into work rather than writing them off to life on benefit, the SWFG will provide a streamlined and efficient system in which there is a single point of access to welfare, and in which everyone who has the potential to work is provided with help to find it.

Wishing to tap into the expertise, innovation and efficiency that the private and voluntary sectors can offer, the Government is inviting bids, led by private and/or voluntary organisations, in four pilot areas:

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Successful applicants will be expected to work in partnership with the Benefits Agency, Employment Service, local authorities and other relevant bodies to ensure a seamless and high quality service.

These pilots will start in November 1999. Contracts will be for up to three years with the possibility of extension for up to a further two years. Private/voluntary sector organisations which are interested in leading any of these pilots, or would like to find out more, are invited to express their interest now. The closing date for expressions of interest is 22nd January 1999.

A briefing pack will be despatched on request to interested organisations. This will provide further information about the pilots, details of the information events and of the procurement process. Information events will be held from mid-January 1999, when organisations can find out more, talk to others about what might be involved and explore how they may wish to work with each other collaboratively to deliver this initiative.

The briefing pack also sets out the information which must be submitted by organisations interested in proceeding in the competition, against which a shortlist will be established. The information requested in the briefing pack must be returned by noon 12th February 1999 in order to be considered.

To find out more and/or request a briefing pack, please contact Hele Carey at the address below:

Single Work Focused Gateway Project, Level 4 Mayfield Court, 56 West Street Sheffield, S1 4ER. Tel: 0114 259 7070. Fax: 0114 259 7266.

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Cast out of sad memory

GALLERIES: Richard Cork interprets the haunting shapes and shadows that dominate new London exhibitions by Rachel Whiteread and Kerry Stewart

Looking at the year ahead I am relieved to predict that Rachel Whiteread's Holocaust Memorial will be among the outstanding art events. For too long the project looked doomed. Endlessly postponed and mired in the murky strife of Austrian politics, her monumental sculpture is now scheduled for unveiling in the late autumn. I hope to be there to see how this steel and concrete structure relates to its sensitive context: the Judenplatz in Vienna, the ancient heart of the city's beleaguered Jewish community.

Maquettes and photographs of the Memorial *in situ* show an austere, sealed-up building, its rigidly ordered sides resembling library walls facing outwards. But Whiteread's latest exhibition, her first at the Anthony d'Offay Gallery, brings the full-scale physical impact of the Memorial much nearer.

Walking into the largest gallery, we see three double-sided bookshelves, in white plaster, facing outwards. Between them is a book, the Holocaust Memorial and finding, with a shock, that the shelves within have been shorn of the books that once filled them.

Not that Whiteread stresses the emotive charge of the

stripped shelves. She simply cast *Untitled (Book Corridors)* in negative, making the spaces between books solid but out as solid presences. But the void where the books should sit has the capacity to unsettle, making us wonder why they seem to have been destroyed.

Memories are triggered of the book burnings undertaken

'One is reminded of the Nazis' book burnings'

by the Nazis, who knew only too well how to erase history. Despite everything achieved by computer technology and the Internet in recent years, books are still the prime repository of knowledge, and the sight of Whiteread's denuded shelves is bound to provoke an indignant sense of loss.

Books can also be intimate objects, especially when found in homes where they are re-

ferred to all the time. In this respect *Untitled (Book Corridors)* relates to Whiteread's consistent preoccupation with domestic forms. Ever since she found her identity as an artist by casting a wardrobe, making it into a place redolent of both privacy and fear, this remarkably single-minded sculptor has stayed close to the household environment.

The most seductive exhibit in her impressive d'Offay show, *Untitled (Fiction)*, is a smaller work where three bare shelves project from the wall like a relief. This time, Whiteread allows the missing books to leave discreet stains of bleached yellow, red, green and blue on the plaster. They soften what would otherwise be a formidably severe piece, and disclose her subdued yet lyrical feeling for colour.

Throughout the rest of the survey, she reins in sensuousness and opts instead for reticence and pallor. The whiteness of the tripartite *Untitled (Elongated Plinths)* accentuates the funereal aspect of these low-lying slabs. They call to mind the sterile surfaces where corpses might be laid out for clinical examination.

Unlike the brittle and pillaged *Book Corridors*, though, all three plinths are cast in plastic and appear inviolate. But this bland, pristine quality

does not make them reassuring. They are as bound up with mortality as Whiteread's earlier *Bath* sculptures, and prove that her imagination is still strongly affected by a graveyard melancholy. She never allows this obsession to become mawkish or self-indulgent, however. The prevailing emphasis in the

show rests on emotional control, and Whiteread's characteristic rigour is seen at its toughest in *Untitled (Nine Tables)*. The cast concrete employed here reminded me of the equally grey substance she used in *House*, the most inexpressible and mournful victim of the British weakness for valuing contemporary art.

At first, it would be easy to see this new sculpture as nine fragments from the bulldozed *House* itself, each rounded into an identical form as compact as a heavy suitcase. In reality, they are cast from the empty spaces underneath stacking tables, the kind of nondescript furniture found in any large institution.

But by the time Whiteread has carried out her deceptively straightforward strategy these banal, utilitarian objects have been transformed into strangely unnerving presences. They rest on the floor in ranks, like anonymous tombs in a cemetery. Their origins as tables can only be guessed at, for Whiteread has brought about a thoroughgoing, infinitely enigmatic metamorphosis.

The glacial feeling of death running through this show also pervades the most memorable of Kerry Stewart's exhibits at the Stephen Friedman Gallery. The largest room is inhabited by one sculpture. Peering into the darkened space, we gradually make out the spectral shape of a car. It has been covered in snow, and the coat of frozen particles threatens to obliterate all the remaining identifiable features.

Since the window-panes are smothered, no one can tell whether the driver or passengers remain inside. But the possibility of their incarceration intensifies when we realise that the wheels are paralysed in a piled-up snowdrift. The vehicle seems long since abandoned, and yet the misgivings about continued human occupancy are strengthened by the eeriest aspect of the sculpture: the headlights obsti-

nately shining through their clogged glass shields. Partially obscured, they nevertheless make the car seem even more of a lethal prison cell than before. Although we can walk right round this sculpture, deftly made from acrylic-painted fibreglass, it resembles in the end a traumatic still from a frustrating, nightmarish movie by the Coen brothers or David Lynch.

The human figure, so often the basis of this young Scottish sculptor's earlier work, is no more visible in her other large exhibit. Stewart gives scant indication of who or what might be lurking beneath *Untitled (Hairy Being)*. The title hints that some animate force waits inside this strange, surreal mass of straw-coloured raffia rising several feet in the air.

On one level, it smacks of the farmland; on another, a cascade of long, straggly hair. But neither animal nor tramp can be detected underneath the dishevelled tendrils. Like many of Stewart's previous

sculptures, the phantasmic quality of this apparition seems to belong to some childhood dreamworld. She is undoubtedly fascinated by the notion of viewing adult life through children's eyes, and a diary-like confession inscribed above the door leading to *Untitled (Hairy Being)* is written in an oddly unformed hand: "I was living a sad life, always worried and anxious, with many fears. One day I decided to look up at the ceiling. Maybe it was the newness or the disorientation, but the lower down things couldn't get up that high."

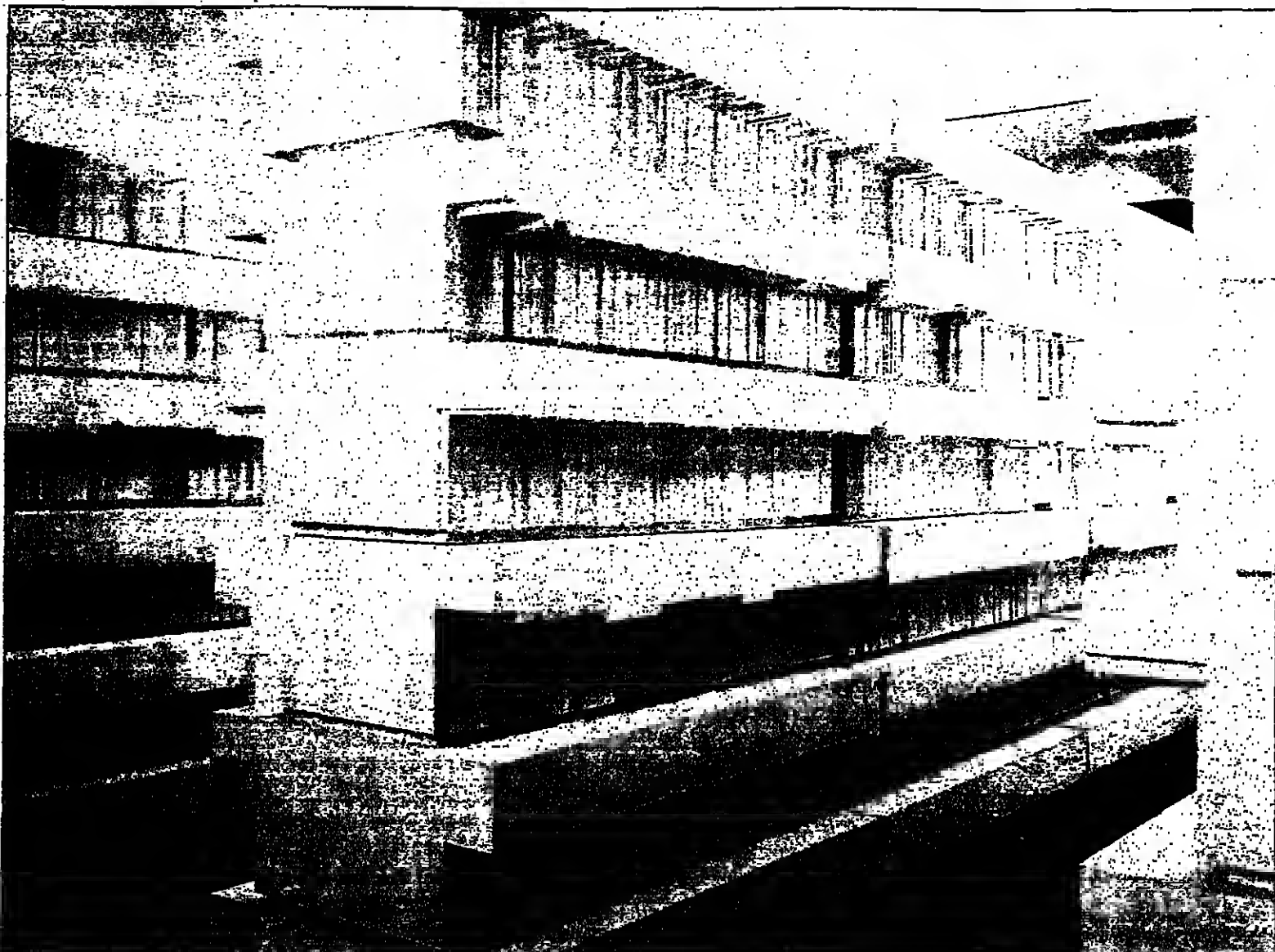
The words' curious blend of naivety and wry humour typifies Stewart's approach. Sadness is offset by self-mocking awareness of absurdity, and in this respect *Untitled (Hairy Being)* is a preposterous comic conceit. Its air of concealment, though, hints at a darker, more furtive and helpless meaning as well — an interpretation made more plausible when we encounter the third sculpture on view.

Crouching on the floor in a focal position, *Followers* finally allows the human form to be revealed. The barefoot young woman appears casual at first. The longer we look at her, though, the more we see. With knees drawn up tightly against her chest, and arms enclosing them in a defensive coil, she seems hunched rather than assured.

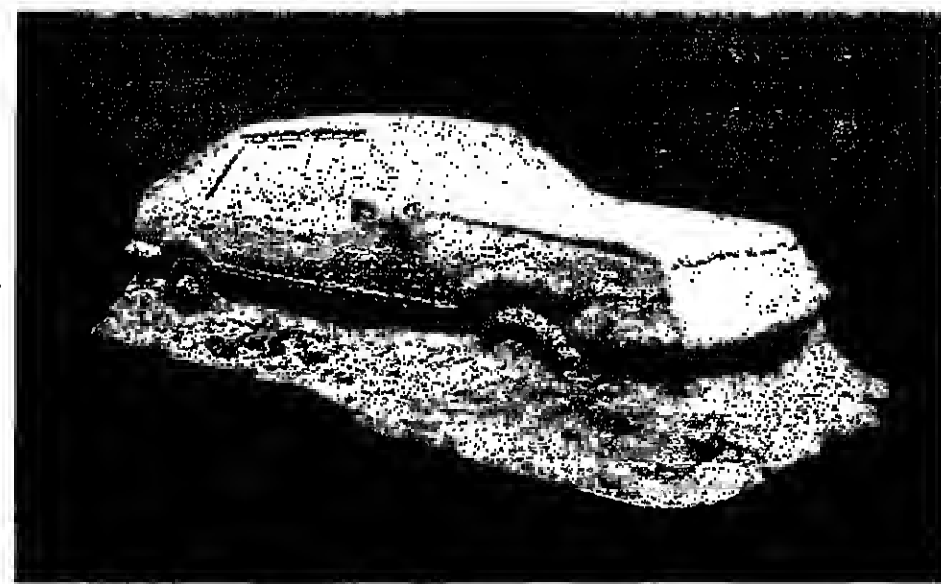
The title of the sculpture implies that she is listening to a leader's speech. But the message makes her feel oppressed, not enlightened. Everything about the stance she adopts, and her stunned facial expression, suggests that she is in thrall to a domineering, perhaps ruthless, cult figurehead.

Stewart's starting-point, apparently, was footage of the followers who blindly obeyed Charles Manson's murderous imperatives. So when this sculpture casts aside concealment at last, we only find someone incapable of releasing herself from an entrapment as cruel, in its psychological tyranny, as the snow-engulfed car.

© Rachel Whiteread at Anthony d'Offay Gallery, 21-23 Dering St, London W1 (0171-494 4100) to Jan 15; Kerry Stewart at Stephen Friedman Gallery, 25-28 Old Burlington St, W1 (0171-494 1434) to Jan 23



Rachel Whiteread's *Untitled (Book Corridors)*: the void where the books should be prompts onlookers to wonder why they seem to have been destroyed



Kerry Stewart's key "car" sculpture: hinting at the disturbing possibility of incarceration

'A glacial feeling of death pervades both shows'

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EDUCATION

Performers speak out

Give our children what we received

As a government committee ponders the sad state of arts education,

Simon Tait asks performers and writers how their own offspring fare

Music, says the opera singer Lesley Garrett, is an expression of the community. "It's where I got my music from, in the heavy-industry communities of South Yorkshire. But school as a community is the essence of a child's life, so music must happen there." These days, however, it mostly doesn't. And with arts teaching taking an increasingly peripheral place in the curriculum, and the number of specialist teachers dwindling, it is unlikely to. The Education Secretary, David Blunkett, was accused of betraying our creative talent when he announced a year ago that education would be centred on numeracy and literacy. He responded by setting up a committee for creative and cultural education, and commissioning Professor Kenneth Robinson to write a report on the place of the arts in the curriculum, which is expected later this month.

Artists themselves are rarely asked for an opinion, though, and many owe their careers — careers which contribute substantially to the £5 billion a year earned by the creative industries in Britain — to the influence of enlightened teachers. Today, according to a new report by the Royal Society of Arts, the chances of finding a cultural Mr Chips are becoming slimmer by the year. It's a point the Arts Council's education director, Pauline Tambling, has been trying to get across as she works with curriculum planners and with Robinson. "Young children rarely say they can't paint or dance or sing, but many older people who have not been encouraged to be creative are negative about their own abilities," she says. Garrett was lucky: there

were professional musicians in her family, and she went to a school specialising in creative teaching, so that German and French lessons were peppered with music and art as well as language. "I would not be doing what I am if it wasn't for that school," she says.

For her own children, Jeremy, five, and Chloe, four, at nursery school in North London, she had to find and pay for education with the creative input she wants for them. "In my day, creative work often happened out of school hours. I couldn't wait for 4 o'clock when there would be rehearsals for the play or the choir. Now teachers have such a struggle with paperwork that they don't have time."

The composer Howard Skempton's Birkenhead choir school taught him music, and his 13-year-old son Sam goes to a comprehensive where the arts are an important part of the curriculum. "But emphasis on the arts is entirely dependent on the enthusiasm of the head teacher," he says. "It is ridiculous that he has to sacrifice something else in order to include something which should be fundamental."

Tony Haygarth, the actor familiar from many television series including the current *Where The Heart Is*, left school at 15 to become a fruit porter, but he had had the benefit of an enlightened head teacher who introduced him to Shakespeare and organised theatre outings. His children, Becky, 12, and Katie, 14, recently he joined them on an outing from their Tunbridge Wells school to see a travelling theatre company known for education work. "It was a Hungarian play, inappropriate for kids, we couldn't follow the

plot, and the teachers weren't properly prepared," he says. "The importance of creative teaching in school is simple. All animals have five senses, but we have a sixth sense that recognises beauty. If you don't teach children how to use that ability, you're shutting them out of a natural entitlement." The sculptor Antony Gormley says Blunkett's move had "seriously disillusioned" arts and music teachers. But the RSA report, *The Disappearing Arts*, shows that they were, already disillusioned: last year recruitment for teaching art is down 12 per cent, and for music 23 per cent. "All education should always have creativity integrated as a leading force because it teaches people who they are, and helps them in getting to know how they can explore themselves visually," he says. "It could be in dance, performance, music, it doesn't matter if it isn't painting, but creativity is at the core of learning." He sends his children, Ivo, 16, Guy, 13, and Paloma, 11, to a progressive fee-paying school in Colders Green. "His arts teaching leaves much to

be desired," he says. "If I knew of a school that took it seriously I might move them, but do you know of one? It's not enough to have teachers who can teach the arts. We should have artists who can teach." Gormley's fellow Royal Academician, the painter and engraver Christopher Le Brun, also sends his children, Luke, 14, Lily, 12, and Edmund, 8, to a Dulwich fee-paying school which has a reputation for design teaching. "Lily is a good artist," he says. "But there's very little painting or drawing. It's been

a huge disappointment. The value of design is demonstrable, but you can't demonstrate the value of fine art so it is seen as secondary to design. But fine art is the primary art, not definable by words. The cultural industries in this country have never been bigger, while the standards of drawing have never been weaker." The novelist Jim Crace's two children, Tom, 17, and Lauren, 12, are at Birmingham comprehensive. He went to Enfield Grammar School where the most up-to-date literature for study was Lawrence's *Seven*

Pillars of Wisdom, whereas Tom is currently reading Attwood and Heaney. But narrative is not taught. Crace believes that learning narrative is vital. "The human being is the only animal that can recall the past and imagine the future, and you become socially successful if you have a narrative sense, because then you are able to talk. You can get through life without mental arithmetic, but not without a narrative sense. To ignore these chambers of children's minds and hearts is a huge mistake."

BUILDING A LIBRARY

A guide to the best classical recordings, in conjunction with BBC Radio 3

RODRIGO'S CONCIERTO DE ARANJUEZ
Reviewed by David Blackwell
BACK in 1971 Geoff Love, otherwise known as Manuel and the Music of the Mountains, added a gentle rhythm track and a heavenly choir to the famous tune from the second movement of Rodrigo's 1939 guitar concerto and found himself with a hit in the pop music charts. It has been called the most popular of all 20th-century concertos, and there is even a version for harp, though unlike the gentle rhythm track of the pop version, the harp version was in fact arranged by Rodrigo himself.

A musical response to the beautiful parks of the Aranjuez palace that lies between Madrid and Toledo in Spain, this piece is so skilfully orchestrated that it almost plays itself. Performances fail only when the guitar dominates the complementary orchestral details or takes liberties with Rodrigo's carefully indicated instructions.

Julian Bream has made four recordings. The best is from 1974 with John Eliot Gardiner and the Monteverdi Orchestra and if you are looking for a mid-price version, this is the one to go for. But Bream's approach is more strident than Goran Söllscher with the Orpheus Chamber Orchestra, which is one of the better full-price versions. Söllscher's approach is equally disciplined but much gentler, but unfortunately the overall orchestral tone is not as mellifluous as it could be.

Pepe Romero with Neville Martiner and the Academy of St Martin-in-the-Fields is a close contender, but Romero is less disciplined and self-effacing than John Williams with the Philharmonia under Louis Frémaux (Sony Classical SK 37848, £15.99). Williams's tone is resonant but beautifully mellow, nothing is over-emphasised in his account, orchestral details are clearly enunciated and the overall texture of the Philharmonia under Frémaux wins on warmth, balance and clarity.

To order the recommended recording, with free delivery, please send a cheque payable to The Times Music Shop to FREEPOST, SCO681, Forbes, IV36 0BR or phone 0345 023 498; e-mail: music@the-times.co.uk
Next Saturday on Radio 3 (11am): Debussy's *Prélude à l'après-midi d'un faune*



Lesley Garrett, opera singer: "These days teachers have such a lot of paperwork to do that they often don't have time for out-of-hours cultural activities"

THEATRE: The Cardboard Citizens company plays to a select audience — the homeless. Hettie Judah reports

Get your big issues here

Issue-based theatre is not generally a term to thrill audiences: the idea of being trapped in a darkened room and being ranted at by a group of performers with an axe to grind is probably most people's idea of entertainment hell. As a result, most productions with a point to make tend to end up preaching to the converted; one is unlikely to clamour to see a satire on contemporary environmental policy if one is a member of a forest-pulping lobby group, for instance.

None of this would really matter if the world were a perfect place populated by a

thoughtful citizenry, but the fact is that we would all benefit from having our complacent worldview shaken up from time to time. Theatre is an ideal medium for such provocation, but how to use it without resorting to didacticism?

The answer, according to the Brazilian theatre guru Augusto Boal, is to develop a form of theatre based around inclusivity rather than alienation; to let the stage become a forum in which the audience

becomes part of the action, and, by extension, part of the solution. A necessarily tragic scenario is presented, and the "spectators" are invited to intervene at any point and attempt to change the course of the action for the better by taking the part of the central character. So successful has this idea become in Brazil that Boal has developed a form of legislation based on forum theatre, essentially placing the law-making process in the hands of the people.

Boal visited Britain last month to display his legislative theatre to a packed audience. While the demonstration worked on one level — intervention was enthusiastic and laws were "passed" by the bucketload — the whole spectacle left a rather unpleasant taste in one's mouth. Instead of becoming an arena for debate, the hall succumbed to what was essentially mob rule because the audience, which consisted almost entirely of middle-class, liberal, white North Londoners, was in consensus on almost every issue raised; anti-Osted, pro-pedestrianisation and so on. The exercise became so terrifyingly tribal that it seemed rather an argument against democracy than for it.

The trick to pulling off forum theatre is in getting the balance right: entertaining enough to hold an audience, difficult enough to provoke them and located in such a way that a variety of opinions are elicited from a diverse group of people. One company that manages to do this with considerable aplomb is Cardboard Citizens, which has just completed its twelfth national tour in seven years.



Cardboard Citizens: Neil Brennan (near) and Delo Adagunodo

You probably wouldn't have heard of any of the cast, the company's texts are not available from all good bookshops, and it is very unlikely that you will either have seen the tour advertised or managed to catch a show. Cardboard Citizens is a homeless people's theatre company that plays to hostels, day centres and cold weather shelters during the winter months. Not only does it play to a homeless audience, but the company is constituted entirely of actors who are or have at one point been homeless.

Cardboard Citizens' shows are anything but right-on or tokenistic: the scenarios presented are true moral brain teasers

that cannot be solved in any one particular way. They stimulate a variety of responses from their audiences, many of whom were not particularly sure that they wanted to be there in the first place. "People share information, strategies and experiences," says the director, Adrian Jackson. "If people are in a situation they have seen in a show they then have a palette of possibilities from which to choose; what Boal called 'a rehearsal for reality on the stage'. The act itself of stepping on the stage gives people a sense of possibility that they might intervene more in their own life; they also realise that they are not alone. It gives them solidarity to work together to crack a problem, but it doesn't work if it's not decent entertainment."

Entertaining it certainly is: at the St John at Hackney Day Centre, Cardboard Citizens' performance started in a kind of atmosphere that would have had most professional actors running for the door. Conversation continued around the Formica tables, arguments raged, people wandered in and out and obscene shouts were hurled at the stage. And then the magic started to happen: within ten minutes the room had almost gone quiet, and by the end people were earnestly shouting out suggestions and taking to the stage with enthusiasm and considerable comic enjoyment.

Without question the company's background helps its players to inspire a certain amount of respect in its audiences, but the real success comes through encouraging people to think, rather than ordering them about. "At its best we start a debate and leave that debate behind us for a few days," Jackson says. "People don't instantly forget a visit by Cardboard Citizens."

30p THE TIMES

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Telecommunications company based in the South East requires solicitor/barrister for a 6 month contract. Work predominantly IT/telecoms, should have experience of maintenance agreements and legally management. 2-3 years' ppe to start immediately. Ref: 61287

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Excellent + Benefits

A leading US investment house with a strong UK operation is looking to expand a new head of its European compliance division. Integrated with the main legal department and based in London the candidate will ideally be both UK and US qualified and currently holding a senior position within another large investment house. Undertaking both legal and bank. Given the strong international flavour of this role languages would be an advantage. Ref: T30385.E

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LAW



Dai Brennan, QC: "He wants everything done yesterday," a Bar source says. "He is very action-orientated. And he can be a bit waspish"

Misuse of funds: civil servants who slip up

A new law is needed to control officials who transgress but a high degree of culpability must be established

When should elected councillors and paid officials be held criminally liable for their acts? At present, there is a vague and antiquated common law offence of misconduct in public office, which has an ill-defined and uncertain threshold for criminal liability, and which depends mainly on a series of very ancient cases.

Under the present law elected local councillors and paid officials of local government are also liable to a surcharge if they misuse their official positions. In early 1997, for example, the High Court ordered Dame Shirley Porter and another councillor to pay £27,023,376 to Westminster council on the basis that they had, "by wilful misconduct", caused a loss to the council of that amount, a decision which they are now challenging.

The standards remedy was looked at by the Committee on Standards in Public Life under Lord Nolan which produced a report in July 1997 recommending that consideration be given to the introduction of a statutory offence of misuse of public office, and asking for comments.

The standards committee drew attention to the strong views held in some quarters that whereas elected local councillors and paid officers of local government may be liable to a penalty surcharge in the event of losses to the taxpayer, no such penalty applies in any other area of public life. The surcharge remedy cannot be applied, for example, to government ministers, to civil servants, or to board members or officers of appointed bodies. The standards committee accepted this complaint, explaining that "no convincing reasons — indeed, no reasons at all — other than the accident of history have been put to us to justify this distinction". The committee was also concerned that a councillor or officer was at risk of being held liable for the entire loss in the case of relatively minor pieces of misconduct, but might not be made liable for much more serious misconduct that had not led to any loss.

In the Westminster case, the Divisional Court remarked that it was unsurprising that the committee had commented adversely on the fact that the auditor had acted as investigator, prosecutor and judge. The standards committee considered that the surcharge was a "wholly inappropriate procedure" and said that it "would not wish to extend or retain it". It believed that a new statutory offence should be defined in such a way as to reflect the common law offence of misconduct in public office and it asked for views on the proposals.

The committee concluded its paper by stating that it would be best if consideration of the details of how the legislation might be best framed were carried for-

ward in consultation with the Law Commissioner responsible for criminal law matters. This suggestion was accepted and it has been taken forward in this way, rather than as a conventional Law Commission project, and a new statutory offence has been proposed. It is being considered by an inter-departmental working group and a decision will be made by ministers on whether to take it forward and how to do so.

As a result of the helpful and thoughtful responses to the committee's paper, the suggestion is that there should be a new offence of misuse of public office for officials. Others are to decide precisely who will be bound by it.

The proposed offence would be based on an improper exercise of, or improper omission to, exercise a duty or power, and the threshold of liability would be set at a high level. Clearly, an act should be considered an offence only where a high degree of culpability has been established. To be convicted of the offence, a defendant would either have performed an unlawful act or made an unlawful omission which he or she knew to be unlawful; or alternatively, performed an act or made an omission which was improper according to the standards of any reasonable and honest holder of the defendant's office, as he or she was aware. Mere negligence or gross negligence, as opposed to knowing or conscious wrongdoing, simply would not suffice.

There is a very clear risk that an offence of this sort could be used for political purposes. At present, a private prosecution can be brought for the existing offence of misconduct in public office. Thus, under the present law, a member of the opposition on a local council could bring a private prosecution against, say, the council leader, just before an important election.

Clearly, the council leader's reputation and prospects could be seriously damaged by the mere fact that such a prosecution had been brought; and even if the case were subsequently dismissed after the election, much harm might have been done in the meantime.

It seems appropriate, then, that no prosecutions for the new offence should be permitted to be brought without the consent of the Director of Public Prosecutions. This would also have the advantage that the DPP would have to bear in mind the public interest tests, which would require factors in favour of and against prosecution to be weighed up carefully and fairly. The result would be that the fear that prosecutions might be brought for minor and technical matters could be met.



STEPHEN SILBER, QC

'Our profession will face great challenges'

Dai Brennan, QC, knows what it is like to be up against it. An advocate whose career has been busy with accident victims, he takes on big insurance companies and "big damages" — sometimes reaching the peak of his profession in the 1980s, illness struck and he lost his voice, a potentially disastrous blow for any advocate.

Mr Brennan fought to regain something of a whisper and now his husky croak is his hallmark. The croak will be heard often in coming months. This year, as the Bar moves through the final stages of its slow metamorphosis into a modern shape for the millennium, it falls to Mr Brennan to make it through the upheaval. Combative skills aside, he is well suited as successor to Heather Hallett, QC, as Chairman of the Bar Council. Both were State-educated. Mr Brennan, whose antecedents are Irish Roman Catholic, was born in Yorkshire. His parents ran a pub in Bradford and his family had no connection with the law. He is a long way from the old image of the upper-crust lawyer.

Mr Brennan told the Bar Council last month that in 1999 "our profession will face challenges as great as any in the past". The reasons are threefold: the Lord Chancellor, Lord Irvine of Lairg, is committed to legal reform in his Access to Justice Bill; clients are more pressing and cost-conscious; and consumers expect quality.

The Bar, he says, has an abundance of talent, brainpower and energy. "It is therefore my firm belief that we must approach change with confidence and not timidity or negative reaction." Mr Brennan is not short in the positive energy stakes. A Bar source says: "He wants everything done yesterday. He's very action-orientated. And he can be a bit waspish."

His background is in the North, outside Oxford or the inner circles of the Bar in

A radical leads the Bar into 2000: Profile by Frances Gibb

London. He was educated at St Brede's Grammar School in Bradford, and Manchester University, where he met Pilar, who is Spanish and a translator. They married and have four sons.

He and other colleagues broke new ground by setting up their own chambers (later joined by such names as Rodney Klean, QC). And Mr Brennan still roots for the regions and would like more work devoted, with High Court judges, based there for three years or so at a time.

Gradually, he came to specialise in personal injuries and medical negligence work and the practice took him to London. Recently named "Simply the Best" in a survey in *Lawyer* magazine, Mr Brennan has made his name with a list of high-profile cases. These include acting for the plaintiffs in the HIV/haemophilia claims, which were settled for £15 million; for relatives in the *Herald of Free Enterprise* disaster; until recently, when he took up the chairmanship, for the lung cancer victims in current tobacco litigation (on a "no-win, no-fee" basis) and for the residents of Canary Wharf in an environmental claim that went to the House of Lords.

Mr Brennan speaks of his cases with passion. "When I win £3 million in damages for a brain-damaged child (as he did recently for Helen Edwards, a teenager brain-damaged when aged five in an operation to remove a birthmark), they need every penny of it..." and the Legal Aid Board recovers all its costs.

But he is realistic about the Government's reforms and chooses his battles carefully. The fight over extending rights of audience — the so-called Bar Wars,

which have dogged the past decade — are over. He comments: "I accept that the Government is determined to make these changes." Instead, he will focus on the Government's plans for increased state regulation of the profession. This, he believes, presents the biggest threat to the profession's status. "It is wrong that the Government should have the sole power to determine who should prosecute, who should defend... who shall appear in court and how cases shall be paid for."

All this was being done, he says, with no statutory objectives as to how the new legal aid funding would be awarded. "Under the Bill, the Lord Chancellor is creating a huge amount of executive power, with no apparent means of testing it by judicial review." The Bar, with help from some of the judges, will fight hard to give such matters as rights of audience and rules of the profession, Mr Brennan says: "Why should Parliament have power to regulate the rules of the profession when MPs themselves need to be regulated by a Parliamentary Commissioner?"

Other changes include reforms to improve the entry arrangements to the profession: human rights initiatives, including a programme of school visits and a *Citizen's Guide to the Human Rights Act*; Kleanmarks for chambers to improve standards; and continuing education for the Bar. "I am setting out my agenda for modernising the Bar," he says. "The Government wants to engage in radical change, and so do we. But we want it to keep up with us."

More difficult may be ensuring that the older rank and file keep up. But Mr Brennan can exhibit great charm. As one Bar source put it: "He will be showing them the medicine, and they won't like it. But they are going to have to take it."

Ring In The New

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Holiday

THE KEY ISSU

HOW

Holidays: risks of the trade

British tour operators must be regulated, says Stephanie Trotter

This is the time of year when we dream of holidays in the sun. But the killing of tourists in Yemen last week has cast a brutal shadow on the notion of white sand, tropical seas and palm trees. Should holiday-makers take responsibility for choosing dangerous destinations? Does the fact that British tour operators organise holidays imply that they are safe? In the case of Yemen, was it enough that a warning had been issued of a high risk of kidnapping (although until then nobody had been killed)?

If we leave aside the tricky question of a possible cause of action against the Yemeni Government for alleged failure to pass on a message that British nationals were to be targeted, could the Foreign Office be sued if it acted negligently? The Crown Proceedings Act 1947, Section 2, allows actions to be brought in tort, but there is no apparent evidence of negligence.

Nev Johnson of the Foreign Office issues advice. We cannot actually stop people from travelling, but we will word it as strongly as possible. In Chechnya, for example, we say, "Don't go, in any circumstances". With Florida, we state that British tourists have been targeted for muggings there, but it is the only America state where we give advice.

"We never get involved with insurance. The prime information we use comes from our posts overseas. They advise us about how and when advice should be changed, and then we look at it in the broader perspective."

Package tours give the traveller a sense of security: the feeling that everything has been checked out, plus



A beach resort may look like the answer to your wish for a relaxing holiday. But has your tour operator discovered any potential pitfalls?

the added assurance of a company representative being on hand if things go wrong. However, on a Thomson holiday in Egypt, the tour representative was blamed by a holidaymaker, Sheryl Scarisbrick, who was seriously injured when she walking into a glass balcony door. She claimed that the rep failed to help her.

Clive Garner, a partner in Irwin Mitchell of Birmingham, which specialises in foreign illness and accident claims, says: "There has been a large increase in the past two years of accident claims against a wide range of tour operators."

"The largest group actions claim of its kind that we are involved with arises from illness among 600 people at an hotel in Majorca."

"More people are travelling abroad now, increasingly on all-inclusive holidays, and tour operators are going to more exotic locations,

which increases the risk of illness. If the infrastructure of the country is not developed, as is the situation in the Dominican Republic, there is an increased risk."

Mr Garner believes that consumers are more aware of their rights now and are more alert to the need to gather evidence and instruct specialist solicitors rather than pursuing claims on their own. "What has traditionally happened," he adds, "is that people who have suffered quite serious illness have been palmed off with ludicrously low levels of compensation. They have accepted low amounts because they have not been advised as to what the courts are likely to award."

Future holidaymakers should know that the arbitration service, run by the Association of British Travel

Agents, excludes personal injuries. The Package Travel Regulations 1992 enable holidaymakers to sue the tour operator for breach of the holiday contract, leaving the tour operator to recover against suppliers abroad —

An independent body could advise consumers and recommend experts

such as hoteliers. The combination of these regulations, which came into force six years ago, conditional fees ("no win, no fee") and the proliferation of video cameras, possibly explain the recent increase in litigation.

Brenda Wall of Holiday Travel Watch claims that about £60 million in compensation was paid out last year and that many more claims

are being processed or initiated. Will the holiday industry survive this level of attrition? Will lawyers continue to profit from these sad cases?

The easiest remedy is, to stop obvious dangers. For example, tour companies could select safer hotels, by cutting out accommodation with locked or blocked fire exits.

If rigorous selection can reduce risk, an independent holiday safety body should be set up to monitor holidays. Such a body could also advise consumers, recommend experts, operate a constant emergency helpline, investigate complaints and ensure that tour operators abide by a code of conduct. Funding could be from a modest levy.

This body could also press for safety measures, European directives, for example, on fire regulations and proper enforcement, and liaise

with the Foreign Office.

The Advertising Standards Authority ensures that advertisements are legal, decent, honest and truthful. Funded by a voluntary levy on industry, it works by publicising the trade's misdeeds — a penalty that could also work in the media-sensitive travel trade.

If the co-operation needed to raise holiday safety standards failed, then mandatory licensing and the setting-up of an "Ofhol", with a regulator for holiday safety, could be imposed by statute.

But this should not be necessary. There should be an independent, funded body to make sure that unpleasant, sometimes life-threatening, holidays are stopped at source wherever possible. Responsible tour operators should be crying out for it.

● The author, a barrister and president of CO-Gas Safety, is vice-president of Consumer Safety International.

Homing in on a new lease of life

Complaints persist about poorly managed flats, says James Driscoll

The law governing leases of flats and houses needs fundamental overhaul and, indeed, one was recommended by the Law Commission in its report on commonhold. But despite legislative reforms from 1985 to the Housing Act 1996 (the last attempt), complaints persist about poorly managed flats. The Government has published a consultation paper, *Residential Leasehold Reform in England and Wales*. Commonhold will be the subject of more consultation. Meanwhile, views are sought on other legislative changes to the leasehold system.

A convincing case is made for

reforming the qualification rules for a flat-owner's collective right to acquire the freehold: flat-owners living over shops, restaurants or other business premises will be able to enfranchise if the non-residential floor area of the building does not exceed 25 per cent (10 per cent at present); the resident test will become easier (half of the acquiring flat-owners will need to be resident when giving notice to buy the freehold); and the minimum proportion of the enfranchising group will be one half, not two thirds.

Though these recommendations may make it easier to enfranchise, they will not surmount many of the practical hurdles revealed in research (*The Impact of Leasehold Reform*) commissioned last year by the Government. Take costs: flat-owners have little effective control over what they have to pay the current freeholder for professional costs — the paper rejects scale fees but welcomes suggestions. What about dispute settlement? Switching disputes from the county court to the Lease-

hold Valuation Tribunal has led to complaints about long delays and there are also complaints of freeholders taking further appeals to the lands tribunal to press flat-owners to settle. The paper's arguments for simplifying valuations may reduce delays, but it says little on the complexities of the statutory procedures. Why, for example, should an acquiring flat-owner have to make a county court application if the freeholder fails to respond to their notice to enfranchise? Without other changes, enfranchisement will remain an expensive, complex option for many flat-owners, which a well-sourced landlord will continue to frustrate.

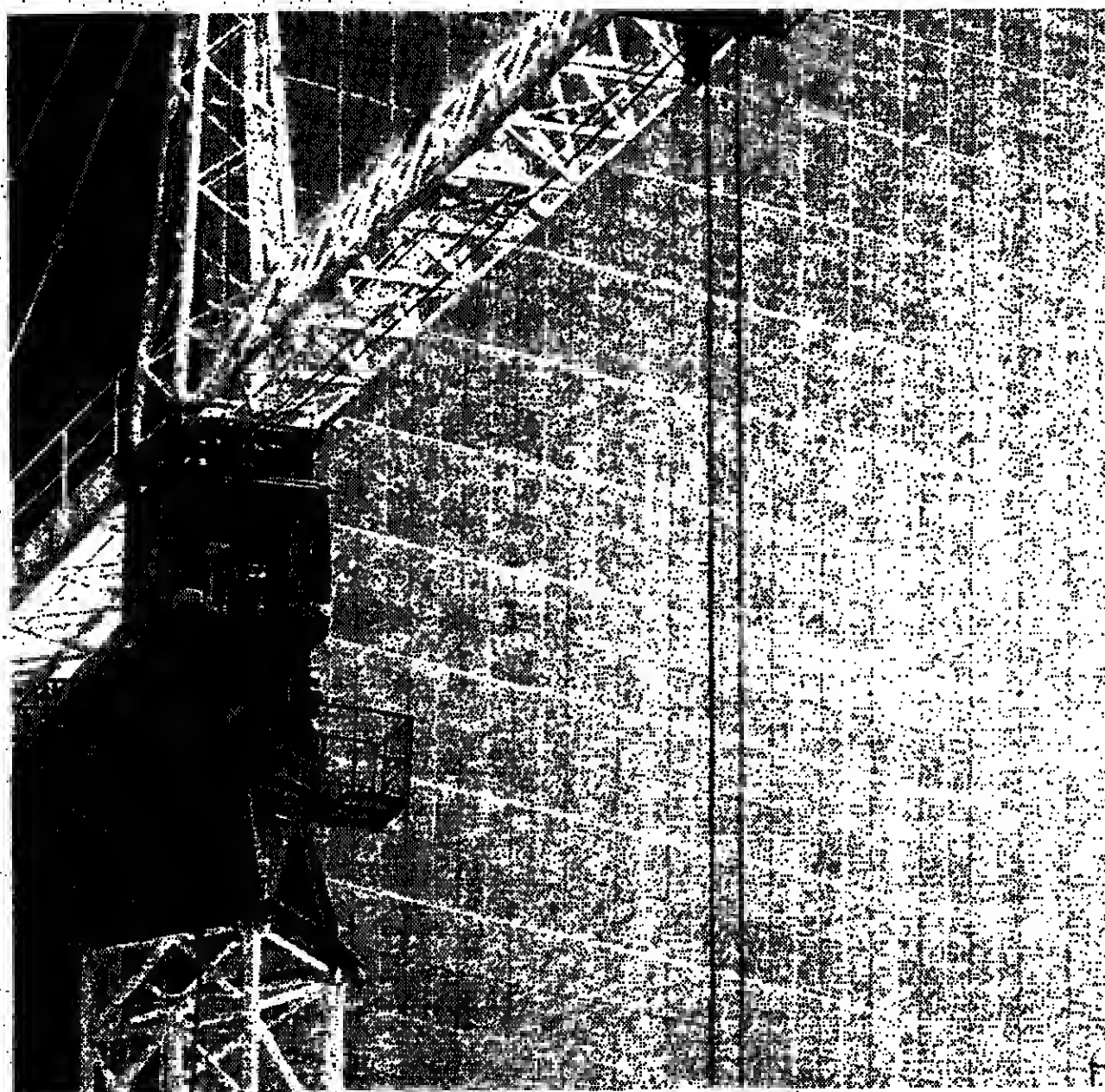
The Government's research also found that the main motivation for flat-owners wanting to enfranchise is dissatisfaction with the management of their block. If implemented, the proposed new right for flat-owners to take over the management of the block is the paper's most radical proposal. The procedures will operate in much the same way as enfranchisement: no fault on the part of the landlord (or any existing managing agent) will have to be proved and the right can be exercised without application to a court or tribunal.

This consultation paper will not be the only consultation exercise before draft legislation. Separate consultations will be held on how to make flat-owners more aware of their rights and liabilities before purchasing. We can only hope that the Government will find the legislative time for further reforms.

● The author is Professor of Law at South Bank University, London, and a consultant solicitor with Trowers & Hamlin.

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CLIFFORD CHANCE

RACING: BROADSHEET AIMED FOR CHELTENHAM FESTIVAL START

Plans afoot to launch daily racing paper

BY RICHARD EVANS
RACING CORRESPONDENT

A NEW daily racing paper, called *The Racing Herald*, could be on the streets in time for the Cheltenham Festival after nine months of behind-the-scenes negotiations with potential financial backers.

The broadsheet, with sections devoted to racing, sports betting and greyhounds, would be aimed very much at the punter, and staffed by many of the journalists who worked on *The Sporting Life*, which closed last May after serving followers of the Turf for 139 years.

Talks with three separate groups of would-be investors are at an advanced stage and have produced a verbal agreement. Lawyers and accountants are now poring over the fine detail and a decision is imminent. "We have reached a crucial stage," one insider disclosed yesterday.

Mike Gallimore, a former editor of *The Sporting Life*, is the driving force behind the project and would edit the title. A 70-strong editorial team is being lined up, including well-known racing journalists such as Geoff Lester, Tim Richards, George Ennor, Jon Freeman, Colin Fleetwood-Jones and Mike Cattermole.

The *Racing Post* has enjoyed a monopoly since it was



Lester: joining new team

sold by Sheikh Mohammed for £1 to Mirror Group, who promptly closed down the *Life*. Various plans to relaunch the *Life* as a sports paper have so far come to nothing.

Although there has been a consensus of thought that racing can only sustain one daily newspaper, economies in production costs have convinced those involved that a second publication is a viable proposition. The initial circulation target would be 20,000.

The chances of success would undoubtedly be boosted if *The Racing Herald* could gain a share of the betting shop market. Ironically, it was a disastrous "reader-friendly" redesign of the *Life* which cost it thousands of sales to the na-

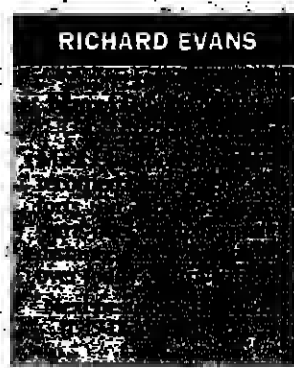
tion's 8,000 betting shops — and spelt the beginning of the end for the Queen Mother's favourite paper.

Significantly, the *Herald* would be aimed very much at the punter — including the burgeoning sports betting sector — rather than the inner machinations of the racing industry. "Unlike the *Post*, the *Herald* is unlikely to devote the front page to the latest thoughts of Peter Savill, the British Horseracing Board chairman," one source said. "It would cover the things that the industry needs to know, but be based on information for the punter."

If the project gets off the ground, the first copies of the *Herald*, costing £1, would be on sale during the week before the Cheltenham Festival to alert potential readers to its existence in time for the biggest National Hunt meeting of the year.

With entries for the Cheltenham Gold Cup and Queen Mother Champion Chase closing tomorrow, festival fever will soon begin to build up and a small, but significant, change is being made to one of the meeting's most popular races.

The Fulke Walwyn Kim Muir Chase, for amateur riders, and the William Hill National Hunt Chase are both run over an extended three

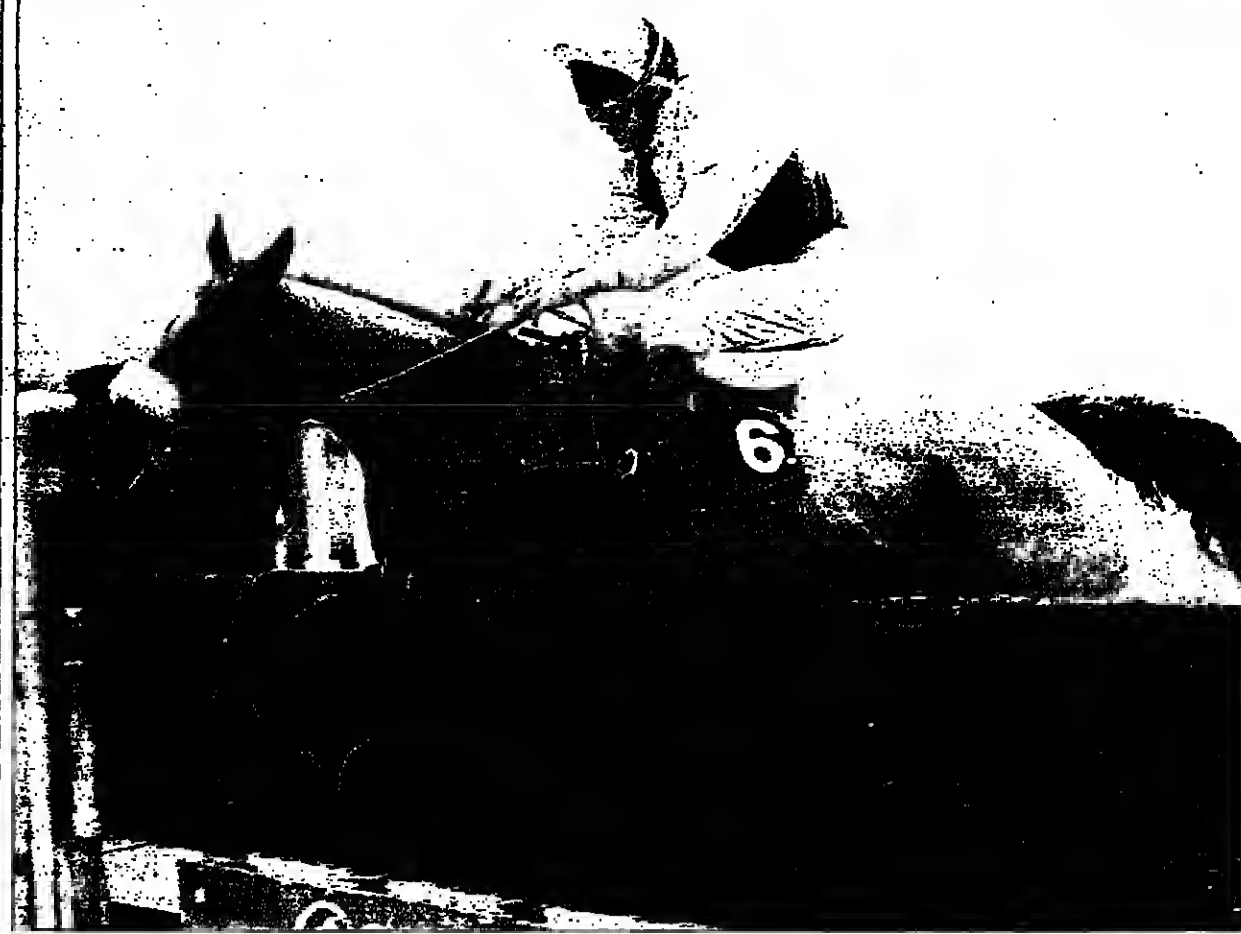


RICHARD EVANS

miles and tend to attract the same horses. In the past couple of seasons, highly rated horses such as Lo Sregone (147) and Papillon (143), which would normally have gone for the more valuable William Hill race, have remained in the Kim Muir — and therefore have given it a lopsided look.

The Cheltenham management considered a number of ways of getting round the problem, including changing the distance of one or both races or allowing conditional jockeys to ride in the Kim Muir, but have opted for restricting the amateur riders' race to horses rated 140 or below.

The change should mean the Kim Muir is more competitive, with fewer horses out of the handicap. "It is designed to strengthen both races," Edward Gillespie, managing director at Cheltenham, said.



Rockforce clears the last before winning the Langhorne Garden Hotel Maiden Chase at Folkestone yesterday

Saleel saves best behaviour for course

SALEEL, aggressive in his stable but totally genuine when he is running, made it two wins from three starts since he became part of Lucy Wadham's new Water-hall racing syndicate when he took the Northern Novices' Hurdle at Folkestone yesterday.

She "was in the right place at the right

time" when the Maktoum family were looking for a home for Saleel at the end of last season. "They did not want to send him to the sales because of the way he behaves in the box, feeling it was wrong to sell a horse with such a temperament, and so he came to us," she said. "He lives in a muzzle, which isn't taken off him un-

til the last minute, and though we are taking no chances, I think that he is getting a bit better."

Saleel's success was the first of two for promising amateur Richie Forristal, who went on to complete a double for himself and Gardie Grissell when First Instinct landed the Ted Long Challenge Cup.

RESULTS FROM YESTERDAY'S TWO MEETINGS

Folkestone

Going: harder heavy; chase soft, heavy in places.
12.40 (2m 6f 110yds) 1. Simply (4f 110yds, 12-1), 2. Daphne (12-1), 3. Daphne (12-1), 4. Daphne (12-1), 5. Daphne (12-1), 6. Daphne (12-1), 7. Daphne (12-1), 8. Daphne (12-1), 9. Daphne (12-1), 10. Daphne (12-1), 11. Daphne (12-1), 12. Daphne (12-1), 13. Daphne (12-1), 14. Daphne (12-1), 15. Daphne (12-1), 16. Daphne (12-1), 17. Daphne (12-1), 18. Daphne (12-1), 19. Daphne (12-1), 20. Daphne (12-1), 21. Daphne (12-1), 22. Daphne (12-1), 23. Daphne (12-1), 24. Daphne (12-1), 25. Daphne (12-1), 26. Daphne (12-1), 27. Daphne (12-1), 28. Daphne (12-1), 29. Daphne (12-1), 30. Daphne (12-1), 31. Daphne (12-1), 32. Daphne (12-1), 33. Daphne (12-1), 34. Daphne (12-1), 35. Daphne (12-1), 36. Daphne (12-1), 37. Daphne (12-1), 38. Daphne (12-1), 39. Daphne (12-1), 40. Daphne (12-1), 41. Daphne (12-1), 42. Daphne (12-1), 43. Daphne (12-1), 44. Daphne (12-1), 45. Daphne (12-1), 46. Daphne (12-1), 47. Daphne (12-1), 48. Daphne (12-1), 49. Daphne (12-1), 50. Daphne (12-1), 51. Daphne (12-1), 52. 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Fish on the menu again

Revelation and radio listings compiled by Ian Hughes, Rosemary Smith, Susan Thomson, Jane Gregory and John McManera.

AMERICAN FOOTBALL 38

Owens comes good
at the last for
San Francisco 49ers

SPORT

TUESDAY JANUARY 5 1999

TENNIS 42

Henman roars
back into
action in Doha

Wiseman's departure signals change

FA prepares for radical restructuring

BY MATT DICKINSON

THERE was so much spin-doctored talk of "fresh dawn" and "visions for the millennium" in Lancaster Gate yesterday that it might have been a press conference for new Labour. This hailing of a glorious age, though, came from the modernising vanguard of the Football Association, who barely gave Keith Wiseman time to head back to Southampton and obscurity before they launched their reformist agenda.

Wiseman resigned as chairman of the FA at 1.10pm, finally accepting that he had been outflanked by his opponents who regarded him as an ineffectual leader on the domestic, never mind the world, stage. His decision to step down was unanimously accepted by the 91-member FA Council, who will find that they are the next targets for the modernisers after the culling of Wiseman and Graham Kelly, the former chief executive.

Less than four hours after Wiseman's resignation, those who would succeed him were gathered in a hotel describing how the new leader must be a man of integrity and vision if the FA is to be transformed from its cumbersome committee structure into a streamlined business befitting its multimillion-pound turnover.

A working party is already on the verge of publishing a report as to how the full council, with an average age of 64, can be whittled down into an effective unit of a dozen or so. The new chairman may be paid for the first time in the FA's 135-year history.

Who that will be is a question that will not be answered until a vote by the FA Council in June, thereby guaranteeing more than five months of political manoeuvring. Geoff Thompson, the vice-chairman, will head the FA until the summer and may now prove the front-runner to succeed Wiseman. As secretary of the Sheffield and Hallamshire County FA, Thompson's support is based in the shires, which still hold 60 per cent of the seats on the full council.

With their influence under increasing threat from the professional game — as represented by Dave Richards, chairman of Sheffield Wednesday, David Sheepshanks, chairman of Ipswich Town, and David Dein, vice-chairman of Arsenal — the counties may engineer Thompson in as chairman to ensure that they have a proper say in the radical changes that are inevitable.

Sheepshanks, by far the most likely alternative to Thompson, will need to use all his Old Etonian charm over the next five months to convince them that he is acting in their best interests rather than those of the leading clubs.

Who will succeed Kelly as chief executive may take even longer to determine. The position will be advertised this week, but Thompson accepted yesterday that it is unlikely that an appointment will be made before the chairmanship is resolved in June.

Whoever becomes chairman and chief executive, they will preside over a revolution at the FA. "Today represents the beginning of a new dawn for the FA," Sheepshanks said, his thoughts echoed by Thompson. "If we can't move in the right direction we will die," Thompson said. "We may have had a hundred or more years of operating on the same lines, but we are now moving into a new millennium and need to move forward with a more businesslike approach."

The new chairman must have integrity, leadership and vision. He must also have the ability to convince the present members of the council that there is going to be a change. That may be a bit like persuading turkeys to vote for Christmas, but Kelly and Wiseman will testify that the new movers and shakers at the FA are ruthless in their methods.

The new chairman will also, according to Thompson, have "to build bridges with FIFA, UEFA and the Home Counties" after the cash-for-votes controversy that cost Wiseman and Kelly their jobs. "It was a very grave error of judgment by both of them," Thompson said of the unauthorised £4.2 million payment to the FA of Wales.

At the full council meeting yesterday, Wiseman spoke persuasively in his own defence, as should be expected from a solicitor, for 65 minutes. Once the debate was opened to the floor, however, the counter-arguments came thick and fast, with Thompson, Dein and Sheepshanks among the dozen councillors who spoke against the departing chairman.

"I have achieved my objective in providing the council with a full explanation of the events which have been the subject of so much publicity," Wiseman said. "I am grateful that they felt able to unanimously record that in accepting my resignation, they wished to make it clear that no aspersions were cast on my integrity or honesty. That means a great deal to me."

With that, Wiseman left and the race to succeed him began. The only declared candidate is Ken Bates, the Chelsea chairman, whose outspokenness has already ensured the failure of his campaign. "Many of the comments I have seen attributed to him have been a masterpiece of demagoguery of FA staff," Frank Pattison, a moderniser from the Durham FA, said.



Wiseman heads back to Southampton after resigning as chairman of the Football Association yesterday

Power vacuum that leaves England looking isolated

THE removal of Keith St John Wiseman from the Football Association, the first chairman to be forced out of office in the organisation's 135-year history, is being presented as an act of unification. Interesting. We are told that Wiseman's resignation must imply no aspersion of his honesty or integrity.

Now, after the resignation last month of the chief executive, Graham Kelly, Lancaster Gate is short of its two senior executives. And no one is to blame, except the media. They, in Wiseman's parting words, "wildly and wholly inaccurately" reported what was going on behind the scenes.

In truth, Wiseman's inept scheming has left a legacy of an English game lacerated with division, with Glenn Hoddle vulnerable as national coach. There is virtually open warfare between the men of commerce of the FA Carling Premiership clubs, whose intolerance of rule by amateurs is well documented.

They, and indeed their representatives within the FA, are more intent on the stock market fluctuations of the share price of their clubs than the wider duty Lancaster Gate must have for football at large. The Premiership clubs are no more likely to give the breath of life to those one rung beneath them than countenance a share of football's ever-increasing revenues being spent to insure the welfare of a game played by millions on sports grounds and parks.

As if that is not enough, there is also the internecine fighting even within the FA Executive. The maverick Chelsea chairman, Ken Bates, has

Rob Hughes says upheavals have left the FA split and devoid of influence on the international stage

been speaking for weeks of his willingness to sweep away sleaze and the archaic structures within the FA. He fell silent yesterday. Temporarily, no doubt. But David Sheepshanks, the chairman of Ipswich, did his best in a supporting role to speak of unity and a new determination, to drive the national game forward.

One almost immediate dilemma is how those temporarily charged with leadership can restore respect for the word of the FA, specifically among the 24 executive members of FIFA, the world governing body. Those members hold the votes for the World Cup in 2006, although if the FIFA president, Sepp Blatter, gets his way there will be biennial World Cups, and with so few countries able to cope with the blatant 64-game finals, England may have less to worry about than we ever dreamt.

It was the misguided efforts of Wiseman, and the limp acquiescence to his methods by Kelly, that brought the pair down. Wiseman, correct in believing that England crucially lacked standing and influence on international committees, made unauthorised payments to the FA of Wales in what he saw as an attempt to get their help in gaining a seat on the FIFA executive. It would be fascinating to hear the response of some members when they, knowing precisely the truth, receive deputations from Lancaster Gate attempting to persuade them that the

word of an English Football Association chairman can, from now on, be trusted without hesitation.

"Those of us who hold temporary responsibility," said David Davies who has replaced Kelly until a successor is found, "know what has to be done and won't be found wanting."

Words are Davies' forte. So is presentation. The Government may be leaking spin doctors, the FA is promoting them. Davies was educated at Sheffield University, and his "temporary" chairman, the



Bates: hat in the ring

No ICC cash to help umpire system

BY OUR SPORTS STAFF

THE International Cricket Council (ICC) is refusing to give financial backing to any programme aimed at improving the third umpire system.

The problem was highlighted during the final Ashes Test between Australia and England at Sydney yesterday when Steve Taufel, the third umpire, failed to give Michael Slater, the Australia opener, run out when he appeared to be short of his ground. Slater, on 35 at the time, went on to make 123.

The ICC, however, reject suggestions that it should pump money into a scheme to set up four fixed cameras level with the wickets at each side of the ground.

"We're not looking to fund it at this stage," Clive Hitchcock, the ICC cricket operations manager, said. "There's a huge cost involved. Some countries are going down that road and providing square-angle cameras at each end."

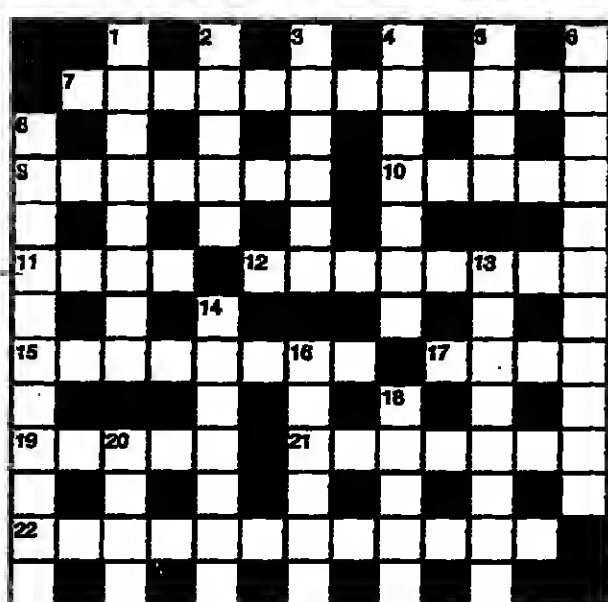
"It's something that we're working on because some countries provide better facilities than others. South Africa have square-on cameras but their project has received private sponsorship. We're looking to see if we can make it standard across the board. But it is the responsibility of the home board to provide camera angles in liaison with the host broadcaster."

Television replays appeared to confirm that Slater was short of his crease after the stumps were broken by Dean Headley's direct hit from deep mid-on. He was given not out because Taufel did not have the benefit of a square-on camera but even the Australian opener believes it is time for more cameras to be used to stop similar controversies.

"If you're going to have the third umpire, then get the cameras in place so it's conclusive," Slater said. "If there's a camera on the other side of the ground square-on, there's no doubt you would know one way or the other. The third umpire can only make a judgment on what he sees at the time."

Hitchcock added: "When the third umpire makes his decision, he must be 100 per cent sure that the batsman is out and I'm sure he applied that in Slater's case."

TIMES TWO CROSSWORD



No 1606

ACROSS

- 7 Being always 'ill' (12)
9 Innuitive sympathy (7)
10 Services chaplain (5)
11 Ring: a croquet target (4)
12 Always given similar rule (8)
15 Where Drake played bowls (1588) (8)
17 Free ride (4)
19 Indian police baton (5)
21 In summary (7)
22 Learn to master (3,3,4,2)

DOWN

- 1 Paris. Drunroll. Rhenish for example (8)
2 Two-dot stop (5)
3 Fond of conversation (6)
4 Tiny offset; fragment, extract (7)
5 Raised: sounds like staple food (4)
6 (Hard struggle) to cause weariness, damage (4,3,4)
8 Island chain (11)
13 Cartoon maker (8)
14 This evening (7)
16 Prize (6)
18 A wren: a spinning frame (5)
20 Carry, wield (4)

SOLUTION TO NO 1605

- ACROSS: 1 Army 3 Frame-up 8 Cantata 9 Shyl 10 Sprat 11 Hampden 13 Diacresis 17 Layette 19 Ionic 20 Train 22 Gunwale 23 Hot seat 24 Term
DOWN: 1 Access 2 Man Friday 3 Featherweight 4 Assam 5 Ebb 6 Pylons 7 Tantara 12 Disengage 14 Skinny 15 Flitch 16 Screams 18 Tense 21 Ant

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